

ADOPTED 12/17/87

BOSTON REDEVELOPMENT AUTHORITY

FIRST AMENDMENT TO THE REPORT AND DECISION ON APPLICATION FOR APPROVAL OF THE REDEVELOPMENT PROJECT LOCATED IN THE SOUTH END URBAN RENEWAL AREA ON TREMONT STREET BETWEEN RUTLAND SQUARE AND CONCORD SQUARE AND ON TREMONT STREET BETWEEN WORCESTER STREET AND CONCORD SQUARE BY HII CORPORATION FOR CONCORD HOUSES ASSOCIATES.

Prior Proceedings

On November 8, 1973, the Authority voted to adopt a "Report and Decision on the Application for Approval of the Redevelopment Project located in the South End Urban Renewal Area on Tremont Street between Rutland Square and Concord Square and on Tremont Street between Worcester Street and Concord Square by HII Corporation for Concord Houses Associates" (the "Report and Decision"). A Certificate of Vote and Mayoral approval of the Report and Decision were duly filed with the Office of the City Clerk on November 28, 1973.

At the time of approval of the Project, the land was owned by the Authority. However, on October 4, 1974, the Authority conveyed Disposition Parcels RC-4 and RC-5 in the South End Urban Renewal area to Concord Houses Associates.

Project

As originally approved in the Report and Decision, the Redevelopment Project (the "Project"), consisting of the construction, operation and maintenance of approximately 181 apartment units located on two parcels of land in the South End Urban Renewal Project Area, was to be undertaken and carried-out by Concord Houses Associates, a Massachusetts limited partnership of which HII Corporation was the managing general partner. Since the Project is financed under Section 236 of the National Housing Act, half of the units are available for the elderly. The Project has also received mortgage financing from Massachusetts Housing Financing Agency ("MHFA"), MHFA Project No. 73-106. The mortgage loan closed in 1974 and has a remaining balance of approximately \$5.1 million.

Application for Amendment

On December 11, Concord Houses Associates ("Concord Houses") and HII Corporation (jointly the "Applicants") filed an application requesting an amendment to the Report and Decision (the "Application"). The amendment requests approval of a transfer of the Project to MHFA which will then in turn, immediately transfer the Project to Concord Houses II Limited Partnership, a new Massachusetts limited partnership ("Concord Houses II" and/or the "New Partnership") to be formed under the Massachusetts General Laws, Chapter 109 and under Chapter 121A, for the purpose of acquiring and resyndicating the Project. In addition, certain supplementary materials (the "Supplementary Materials") were submitted, including (1) an MHFA memorandum, dated December 8, 1987, entitled "Resyndication - CONCORD HOUSES, SOUTH END-BOSTON"; (2) an MHFA letter, dated December 9, 1987, evidencing the vote adopted by MHFA on December 8, 1987 in connection with its approval of the resyndication; and (3) a summary sheet of the proceeds from resyndication as prepared by HII Corporation. Both the Application and the Supplementary Material are incorporated herein by reference.

CH

The purpose of the ownership transfer is to create an infusion of capital into the Project through repayment of Project funds and other syndication equity in order to meet current and projected capital needs.

The resyndication is made possible by the provisions of the 1986 Tax Reform Act providing for low-income housing credits upon acquisition of ten year old properties. The New Partnership would receive an allocation of low-income federal tax credits for 1987 from the Massachusetts Executive Office of Communities and Development.

Authority Action

In acting hereunder, the Authority has considered the Application and the Supplementary Materials, all documents and exhibits filed therewith and referred to therein, and the oral evidence and other information presented at the Authority's meeting on December 17, 1987, sufficient in the Authority's judgment, to enable it to act as hereinafter set forth:

1. Resyndication: For the purpose of resyndication of the Project, the Authority, subject to the terms and conditions imposed by MHFA in its vote of December 8, 1987 and the rules and regulations hereinafter set forth, approves the transfer of the ownership of the Project as follows: conveyance of the Project by Concord Houses to MHFA, and the conveyance by MHFA to Concord Houses II, as more fully described in the Application, Section 5. The Managing General Partner of Concord Houses II will be Denis A. Blackett or a corporate entity of which he is the principal, either HII Corporation or a new corporate entity. The principal Limited Partner will be Century Pacific Housing Fund I, an SEC-registered publicly-offered limited partnership, of which Century Pacific Realty Corporation is the sponsor, or such other Limited Partner entity and sponsor which are determined by MHFA to be competent to carry out the program as presently approved by the Authority.

2. Period of the Project. The Project shall be subject to Chapter 121A of the Massachusetts General Laws ("Chapter 121A") and Chapter 652 of the Acts of 1960 ("Chapter 652"), both as amended, and this First Amendment until November 28, 2013, forty years from and after the original approval date of the Project, which was November 28, 1973.

3. Rules and Regulations. Notwithstanding the minimum standards for financing, construction, maintenance and management to the contrary, as set forth in or referred to in the Report and Decision, the Authority hereby adopts and imposes on the Project the following rules and regulations which shall be applicable to the Project for as long as Chapters 121A and 652 are applicable thereto:

a. After the conveyance of the Project to Concord Houses II, all subsequent or alternative financing or refinancing of the Project, including but not limited to, the granting or recording of any mortgages on the Project, shall be made only with the prior approval of the Authority.

b. The Project shall be operated and maintained by Concord Houses II, or its successors and assigns, until the end of the period of the Project, as low and moderate income and/or elderly rental housing, consistent with the purposes for which the Project was originally approved. In addition, no action shall be taken by Concord Houses II to convert the Project from residential rental housing to either cooperative or condominium ownership, which

c 14

shall constitute a change in residential use and a fundamental change in the Project, without the prior approval of the Authority in accordance with Chapters 121A and 652.

c. When existing subsidies for the Project expire, Concord Houses II shall have the obligation to seek and accept further available rent or other subsidies for all of the units within the Project for the remainder of its term.

d. Concord Houses II is required to:

(i) enter into a Regulatory Agreement with the Authority, as required by Chapter 121, Section 18C, the terms and conditions of which must be acceptable to the Authority's Chief General Counsel and the Authority's Director is authorized to execute such Regulatory Agreement; and

(ii) enter into a 6A Contract, in accordance with Chapter 121A, Section 6A, the terms and conditions of which must be acceptable to the Commissioner of Assessing of the City of Boston.

e. All amounts due to either the Department of Revenue, Commonwealth of Massachusetts, under Section 10 of Chapter 121A and the City of Boston under Section 6A of Chapter 121A, up to and including calendar year 1986 shall be paid respectively to the Department of Revenue and the City of Boston and a provision shall be made for any amounts that may be due under Section 10 and 6A for calendar year 1987 or part thereof, as of the date of the closing on the conveyances of the Project.

f. In the event the agreements referred to in paragraphs 3(d), (i), and (ii) above are not executed by Concord Houses II and the closing of the conveyances does not occur no later than December 31, 1987, the Authority reserves the right to rescind the approval of this First Amendment in all respects, unless a time extension or extensions for a closing are approved by the Authority.

4. Decision of the Authority. The Authority hereby finds (a) that this First Amendment and the Project, as described herein, conforms to and complies with the provisions of Chapters 121A and 656, as now amended, and the Authority's "Rules and Regulations Covering Chapter 121A Projects In the City of Boston"; (b) that the conveyances referred to herein do not represent a fundamental change in the Project; and (c) that Concord Houses II appears to have the ability required to perform the obligations and carry out the duties imposed by Chapter 121A, with respect to the Project, including those set forth in the Report and Decision and this First Amendment. Further, the Authority hereby consents to the formation of Concord Houses II Limited Partnership, as a Massachusetts limited partnership to be organized under Chapter 109, to undertake and carry out the Project in accordance with this First Amendment and Chapters 121A and 652. All of the provisions of the Report and Decision not specifically amended herein or which are not contrary to or conflict with this First Amendment remain in full force and effect.

APPLICATION FOR CONSENT TO TRANSFER A PROJECT PURSUANT
TO GENERAL LAWS CHAPTER 121A, SECTION 11,
TO ACQUIRE A PROJECT PURSUANT TO
GENERAL LAWS CHAPTER 121A, SECTIONS 18B AND 18C,
AND THE ACTS OF 1960, CHAPTER 652, SECTION 13A, AND
TO FORM AN ENTITY TO TAKE TITLE THERETO, SAID ENTITY
TO BE ORGANIZED UNDER GENERAL LAWS CHAPTER 121A, AND
PURSUANT TO THE ACTS OF 1960, CHAPTER 652, ALL AS AMENDED

Concord Houses Associates, a limited partnership organized under M.G.L. c. 109 ("CHA") and HII Corporation, its local General Partner, a Massachusetts corporation organized pursuant to Massachusetts General Laws c. 156B (collectively the "Applicants"), hereby jointly apply to the Boston Redevelopment Authority (the "Authority") pursuant to the provisions of General Laws c. 121A, Sections 11, 18B and 18C, as amended, and any rules and regulations of the Authority that may be applicable hereto, for the consent of the Authority to the proposed transfer of a project, commonly known as the Concord Houses (the "Project") to the Massachusetts Housing Finance Agency ("MHFA"), and from MHFA to Concord Houses Associates II Limited Partnership, a Massachusetts limited partnership to be organized for the purpose of carrying out the Project under General Laws c. 121A ("Concord II"). The general partner(s) of Concord II will be Denis A. Blackett (the president and stockholder of HII Corporation) and/or a corporation controlled by Mr. Blackett.

The Project was previously duly authorized and approved by the Authority and was originally developed and operated in accordance with General Laws c. 121A and the Acts of 1960, c. 652, as

then amended. A permanent first mortgage loan (the "Mortgage Loan") in the original principal amount of Five Million Three Hundred Eighty-Seven Thousand Nine Hundred Eighty-Eight (\$5,387,988.00) Dollars on the Project is presently held by MHFA.

1. Applicants.

The names and business addresses of the Applicants are as follows:

Concord Houses Associates
c/o HII Corporation
28 State Street
Boston, MA 02108

HII Corporation
28 State Street
Boston, MA 02108

Notices and requests by the Authority with regard to this

Application should be directed to the following:

Charles King
HII Corporation
28 State Street
Boston, MA 02108

Arthur D. Hittner, Esq.
Peabody & Brown
One Boston Place
Boston, MA 02108

2. Project Address.

The Project is the premises known as the Concord Houses Apartments. The Concord Houses Apartments are located at 705-723 and 725-743 Tremont Street, Boston, Massachusetts. A legal description of the Concord Houses Apartments is attached hereto as Exhibit A. The Concord Houses Apartments consist of 181 units of rental housing, together with parking and related improvements.

3. History.

The Project was originally developed by CHA and the Project was approved by a vote of the Authority on November 8, 1973. Said approval was made pursuant to the provisions of c. 121A, and

the Acts of 1960, c. 652, and, thereafter, CHA and the Authority entered into a Land Disposition Agreement, a copy of which is attached hereto as Exhibit B. The Project was completed in 1976.

4. Project Subsidies

The Project receives rental assistance for 80 apartment units from HUD pursuant to the Rental Assistance Program under Section 236(f)(2) of the National Housing Act, as amended. Additional subsidies are granted under the Section 23 Program and the Rental Assistance Program for 29 and 72 units respectively. The Applicants are proceeding (with the assistance of MHFA) to secure necessary HUD approvals and assignments to Concord II of the subsidy benefits described above.

5. Description of Sale Transactions.

A Bargain Sale Agreement will be executed between CHA and MHFA pursuant to which CHA will convey the Project to MHFA for a purchase price of approximately \$6,165,414.00, \$5,073,414.00 of which shall be paid by assumption of the Mortgage Loan, \$546,000.00 of which will be paid upon closing and the balance of \$546,000.00 will be paid on June 30, 1988. The conveyance pursuant to the Bargain Sale Agreement will occur on or before December 31, 1987.

Following consummation of the foregoing transaction, MHFA will convey the Project to Concord II, for a purchase price of approximately \$7,433,768.00, \$5,073,414.00 of which will be paid by assumption of the Mortgage Loan, \$1,268,354.00 by delivery of a purchase money note to MHFA, \$546,000.00 of which will be paid

at closing and the balance of \$546,000.00 which will be paid on or before June 30, 1988. The conveyance from MHFA to Concord II will occur pursuant to a Purchase and Sale Agreement to be executed between the parties and will take place prior to December 31, 1987.

The foregoing transactions were approved by MHFA by vote of its board on December 8, 1987. A copy of MHFA's approval will be forwarded when available.

6. Management

A Management Plan for the Project currently exists and the current management entity, TSI Management Services, Inc., with experience in the management of projects authorized under General Laws c. 121A and with experience in this project specifically will be retained to implement the same.

7. Succession to the 121A Project.

It is intended that Concord II shall undertake all of the obligations and rights under the 121A arrangement with the City of Boston, which arise after the transfer of title to the Project, and be substituted for CHA from that time forward in every way relating to the Project. Concord II is willing to execute any and all documents required by the Authority, including a Regulatory Agreement with the Authority and a 6A Contract with the City of Boston, evidencing such succession and substitution and acknowledging the existence of this Project as a 121A Project upon consummation of the transfer of the Project described in this application.

Denis A. Blackett, the principal of the general partner of CHA, will be the general partner of Concord II (or will be the principal of a corporate general partner thereof). Mr. Blackett has successfully owned and managed many other rental properties in the City of Boston, including other 121A projects known as Franklin Park (MHFA No. 74-040-R), Intervale-Magnolia (MHFA No. 70-71R), and Woodledge (MHFA No. 70-095-R), and, therefore, the principal of Concord II has the ability requisite to perform the obligations imposed by General Laws c. 121A and to carry out the duties required thereunder with respect to the Project.

The Applicants do not request any changes in the plan for the Project as originally authorized and approved by the Authority in 1973. The proposed transfer will not alter the Project's boundaries and will not affect the objectives, standards, requirements and restrictions as to use, construction and design as set forth in such plan. The proposed transfer will not affect the obligations and duties to be performed and carried out with respect to the Project. Since the Project will be unchanged by reason of the proposed transfer, there will be no effect upon the environment.

WHEREFORE, on the basis of the foregoing, the Applicants respectfully request that the Authority consent to:

- (a) the above-described transfer of the Project to MHFA and by MHFA to Concord Houses Associates II Limited Partnership, together with the transfer of all of the rights, privileges, benefits, exemptions and duties arising upon the transfer of the title to the Project; and

- (b) the formation and organization of Concord Houses Associates II Limited Partnership to acquire the Project pursuant to the requirements of General Laws c. 121A and the Acts of 1960, c. 652, both as amended.

APPLICANT:

CONCORD HOUSES ASSOCIATES

By: HII Corporation, its
General Partner

Charles E. King

By: Denis A. Blackett,
President, by his
duly authorized
attorney-in-fact,
Charles King

APPLICANT:

HII CORPORATION

Charles E. King

By: Denis A. Blackett,
President, by his
duly authorized
attorney-in-fact,
Charles King

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

December 11th, 1987.

Then personally appeared before me the above-named, Denis A. Blackett, by his duly authorized attorney-in-fact Charles King, as President of HII Corporation, a General Partner of Concord House Associates and who executed the foregoing Application, and under oath acknowledged that the statements in the foregoing Application are true and correct to the best of his knowledge and belief.

[Signature]
Notary Public,

My Commission Expires:

JANET-LEE HATCHLIFE
NOTARY PUBLIC

My Commission Expires Feb. 21, 1992

CE MAGUIRE, INC.

April 1974
CEM #652.53

Page 1

BOSTON REDEVELOPMENT AUTHORITY

METES AND BOUNDS DESCRIPTION
PARCEL RC-4

Beginning at a point on the Northwesternly sideline of Tremont Street, said point being $S53^{\circ}-54'-20''W$ three and no hundredths (3.00) feet from the point of intersection of said Northwesternly sideline of Tremont Street, extended, and the Southwesterly sideline of Rutland Square, extended;

Thence running $S53^{\circ}-54'-20''W$ by said Northwesternly sideline of Tremont Street one hundred ninety-eight and no hundredths (198.00) feet to a point;

Thence running by a curve to the right of three and no hundredths (3.00) feet radius joining said Northwesternly sideline of Tremont Street and the Northeasterly sideline of Concord Square four and seventy-one hundredths (4.71) feet to a point;

Thence running $N36^{\circ}-09'-10''W$ by said Northeasterly sideline of Concord Square seventy-two and no hundredths (72.00) feet to a point, said point being the Southwesterly corner of land now or formerly of the Boston Redevelopment Authority;

Thence turning and running $N53^{\circ}-54'-20''E$ by land now or formerly of said Boston Redevelopment Authority two hundred four and no hundredths (204.00) feet to a point on the Southwesterly sideline of Rutland Square;

Thence turning and running $S36^{\circ}-09'-10''E$ by said Southwesterly sideline of Rutland Square seventy-one and ninety-nine hundredths (71.99) feet to a point;

Thence running, by a curve to the right of three and no hundredths (3.00) feet radius joining said Southwesterly sideline of Rutland Square and the Northwesternly sideline of Tremont Street four and seventy-two hundredths (4.72) feet to the point of beginning.

Said parcel RC-4 containing a total area of fifteen thousand two hundred ninety-five (15,295) square feet, more or less, and also contains as a portion thereof certain parcels of Registered Land, Suffolk County Registry District, Land Registration Division, as follows:

1. A portion of Land described on Certificate of Title No. 77339 described as Lots 2 and 4 on a Plan filed in the Suffolk Land Registration Office as Plan No. 7501-B.
2. A portion of Land described on Certificate of Title No. 77660 described as Lot 2 on a Plan filed in the Suffolk Land Registration Office as Plan No. 11927-B.

All being shown on a Plan entitled "Delivery Parcel Plan Parcel RC-4, South End Urban Renewal Area, Project Mass. R-56" by CE Maguire, Inc., Waltham, Massachusetts, dated April 1974.

Meaning and intending to convey, and hereby conveying all that land shown on said Plan by CE Maguire, Inc., as Parcel RC-4, containing a total area of fifteen thousand two hundred ninety-five (15,295) square feet, more or less, and excluding therefrom the fee in the private way abutting the parcel as shown on said Plan.

BOSTON REDEVELOPMENT AUTHORITY

METES AND BOUNDS DESCRIPTION
PARCEL RC-5

Beginning at a point on the Northwesterly sideline of Tremont Street, said point being $S53^{\circ}-54'-20''W$ three and no hundred (3.00) feet from the point of intersection of said Northwesterly sideline of Tremont Street, extended, and the Southwesterly sideline of Concord Square, extended;

Thence running $S53^{\circ}-54'-20''W$ by said Northwesterly sideline of Tremont Street one hundred ninety-eight and no hundredths (198.00) feet to a point;

Thence running by a curve to the right of three and no hundredths (3.00) feet radius joining said Northwesterly sideline of Tremont Street and the Northeasterly sideline of Worcester Street four and seventy-one hundredths (4.71) feet to a point;

Thence running $N36^{\circ}-09'-10''W$ by said Northeasterly sideline of Worcester Street three hundred fifty-four and sixty-four hundredths (354.64) feet to a point, said point being the Southwesterly corner of land now or formerly of Edward B. Christmas, Trustee, Worcester Realty Trust;

Thence turning and running $N62^{\circ}-05'-55''E$ by land now or formerly of said Edward B. Christmas, Trustee, Worcester Realty Trust, one hundred six and ten hundredths (106.10) feet to a point on the Southwesterly sideline of Concord Place, a private way fifteen (15) feet wide;

Thence turning and running $S36^{\circ}-09'-10''E$ by said Concord Place, a private way fifteen (15) feet wide, two hundred sixty-two and fifty-three hundredths (262.53) feet to a point on the Southeasterly sideline of Concord Place, a private way fifteen (15) feet wide;

Thence turning and running $N53^{\circ}-54'-20''E$ by said Concord Place, a private way fifteen (15) feet wide, ninety-nine and no hundredths (99.00) feet to a point, said point being the point of intersection of said Southeasterly sideline of Concord Place, a private way fifteen (15) feet wide, and the Southwesterly sideline of Concord Square;

Thence turning and running $S36^{\circ}-09'-10''E$ by said Southwesterly sideline of Concord Square seventy-six and ninety-nine hundredths (76.99) feet to a point;

METES AND BOUNDS DESCRIPTION
PARCEL RC-5 (Continued)

Thence running by a curve to the right of three and no hundredths (3.00) feet radius joining said Southwesterly sideline of Concord Square and the Northwesterly sideline of Tremont Street four and seventy-two hundredths (4.72) feet to the point of beginning.

Containing a total area of forty-four thousand six hundred seventy-four (44,674) square feet, more or less.

All being shown on a plan entitled "Delivery Parcel Plan, Parcel RC-5, South End Urban Renewal Area, Project Mass. R-56" by CE MAGUIRE, INC., Waltham, Massachusetts, dated April 1974.

Subject to easement shown on said plan by CE Maguire, Inc. as "UTILITY EASEMENT" - Easement to the City of Boston for the purpose of installation and maintenance of utilities deemed necessary for public convenience and necessity, said easement being bounded and described as follows:

"UTILITY EASEMENT" - Easement to the City of Boston for Installation and Maintenance of Utilities Description:

Beginning at a point on the Northeasterly sideline of Worcester Street, said point being N36°-09'-10"W sixty-nine and no hundredths (69.00) feet from the point of intersection of the Northwesterly sideline of Worcester Street, extended, and the Northwesterly sideline of Tremont Street, extended, and running on the following courses and distances:

By the Northeasterly sideline of Worcester Street N36°-09'-10"W twenty and no hundredths (20.00) feet to a point; thence by land (Parcel RC-5) now or formerly of the Boston Redevelopment Authority N53°-54'-20"E one hundred and no hundredths (100.00) feet to a point; thence still by land (Parcel RC-5) now or formerly of Boston Redevelopment Authority N36°-09'-10"W two hundred fifty-four and twenty-five hundredths (254.25) feet to a point; thence by land now or formerly of Edward B. Christmas, Trustee, Worcester Realty Trust N62°-05'-55"E five and five hundredths (5.05) feet to a point; thence by the Southwesterly sideline of Concord Place, a private way fifteen (15) feet wide, S36°-09'-10"E two hundred sixty-two and fifty-three hundredths (262.53) feet to a point; thence by the Southeasterly sideline of Concord Place, a private way fifteen (15) feet wide, N53°-54'-20"E

METES AND BOUNDS DESCRIPTION
PARCEL RC-5 (Continued)

ninety-nine and no hundredths (99.00) feet to a point; thence by the Southwesterly sideline of Concord Square $S36^{\circ}-09'-10''E$ eleven and no hundredths (11.00) feet to a point; thence by land (Parcel RC-5) now or formerly of said Boston Redevelopment Authority $S53^{\circ}-54'-20''W$ two hundred four and no hundredths (204.00) feet to the point of beginning, containing an area of four thousand four hundred fifty-eight (4,458) square feet, more or less.

Said Parcel RC-5 contains as a portion thereof a parcel of Registered Land, Suffolk County Registry District, Land Registration Division, as follows:

1. A parcel of Land described on Certificate of Title No. _____ as shown on a Plan filed in the Suffolk Land Registration Office as Plan No. 1011-A.

Meaning and intending to convey, and hereby conveying all that land shown on said plan by CE Maguire, Inc. as Parcel RC-5, containing a total area of forty-four thousand six hundred seventy-four (44,674) square feet, more or less, inclusive of the area shown on said plan by CE Maguire, Inc. as "Utility Easement", containing an area of four thousand four hundred fifty-eight (4,458) square feet, more or less, together with so much of the fee in adjacent alleys as may run with said parcel.

LAND DISPOSITION AGREEMENT

BY AND BETWEEN

BOSTON REDEVELOPMENT AUTHORITY

8745

323

Doc. No. 321268

AND

CONCORD HOUSES ASSOCIATES

DISPOSITION PARCELS RC-4 AND RC-5

SOUTH END URBAN RENEWAL AREA

ARTICLE I - DEFINITIONS

Section 101: Defined Terms

ARTICLE II - TRANSFER OF THE PROPERTY AND PAYMENT THEREFOR

Section 201: Covenant of Sale
Section 202: Condition of Land to be Conveyed
Section 203: Deposit
Section 204: Purchase Price and Payment Thereof
Section 205: Time of Sale and Conveyance
Section 206: Title and Instrument of Conveyance
Section 207: Federal Tax Stamps and Other Closing Costs
Section 208: Adjustments
Section 209: Application of Redeveloper's Deposit
Section 210: Conditions Precedent to Conveyance
Section 211: Default by Authority

ARTICLE III - RESTRICTIONS AND CONTROLS UPON REDEVELOPMENT

Section 301: Restrictions on Use
Section 302: Improvements and Submission of Plans
Section 303: Time for Commencement and Completion of Construction
Section 304: When Improvements Completed
Section 305: Prompt Payment of Obligations
Section 306: Access to the Property by Authority and City Personnel
Section 307: Non-Discrimination in Employment
Section 308: Preference to be Given to Displacees

ARTICLE IV - TRANSFER AND MORTGAGE OF REDEVELOPER'S INTEREST

Section 401: General Terms Relating to Transfer of Interest in Property by Redeveloper
Section 402: Mortgage of Property by the Redeveloper
Section 403: Rights and Duties of Mortgagee upon Acquisition Prior to Completion
Section 404: Rights and Duties of Mortgagee upon Acquisition After Completion

ARTICLE V - PROVISIONS RELATING TO OPERATION AND MAINTENANCE

Section 501: Maintenance and Operation of Improvements
Section 502: Additions or Subtractions to Completed Improvements

ARTICLE VI - INDEMNIFICATION

Section 601: Reimbursement of Authority in Respect of Certain Litigation

ARTICLE VII - INSURANCE

- Section 701: Insurance Coverage
- Section 702: Non-Cancellation Clause
- Section 703: Authority May Procure Insurance if
Redeveloper Fails to Do So
- Section 704: Redeveloper's Obligations with Respect
to Restoration and Reconstruction

ARTICLE VIII - RIGHTS, REMEDIES, AND PROCEDURES IN THE EVENT
OF A BREACH BY REDEVELOPER

- Section 801: Failure or Refusal by Redeveloper to
Purchase Fee Simple Title and Possession
- Section 802: Consequences of Breach by Redeveloper
with Respect to Commencement and Completion
of Construction, Failure to Pay Taxes or
Discharge Encumbrances, or Unauthorized
Transfer of Interest
- Section 803: Notice of Breaches to Mortgagees
- Section 804: Mortgagee May Cure Breach of Redeveloper
- Section 805: Remedies for Other Breaches
- Section 806: Equal Opportunity Compliance Policy and
Breach Thereof

ARTICLE IX - MISCELLANEOUS PROVISIONS

- Section 901: Obligations and Rights and Remedies
Cumulative and Separable
- Section 902: Finality of Approvals
- Section 903: How Agreement Affected by Provisions Being
Held Invalid
- Section 904: Covenants to be Enforceable by Authority
and United States
- Section 905: Parties Barred from Interest in Project
- Section 906: Authority's Members and Officers Barred
from Interest
- Section 907: Approvals and Notices
- Section 908: Matters to be Disregarded
- Section 909: Obligations to Continue
- Section 910: Excusable Delays
- Section 911: Advertising
- Section 912: Agreement Subject to HUD Concurrence
- Section 913: Agreement Binding on Successors and Assigns
- Section 914: Amendment of Plan
- Section 915: Waivers
- Section 916: Amendments
- Section 917: All Agreements Contained in this Instrument

LAND DISPOSITION AGREEMENT

THIS AGREEMENT, made and entered into this

day of October

1974

, by and between BOSTON REDEVELOPMENT AUTHORITY and

CONCORD HOUSES ASSOCIATES.

WITNESSETH THAT the parties hereto have agreed as follows:

ARTICLE I

DEFINITIONS

Section 101: Defined Terms

For the purpose of this Agreement, the following terms shall have the meanings, respectively, ascribed to them below:

(a) "City" shall mean the City of Boston, Massachusetts.

(b) "Authority" shall mean the Boston Redevelopment Authority, a public body, politic and corporate, created pursuant to Chapter 121B of the Massachusetts General Laws (Ter. Ed.), as amended, and shall include any successor in interest, whether by act of a party to this Agreement or by operation of law or otherwise.

(c) "Redeveloper" shall mean Concord Houses Associates, a limited partnership formed pursuant to Chapter of the Massachusetts General Laws, and having a place of business in the City of Boston, Commonwealth of Massachusetts, and shall include any successor in interest or assign, whether by act of a party to this Agreement or by operation of law or otherwise, but shall not mean mortgagees or holders of building loan agreements.

(d) The "Property" refers to Parcels RC-4 and RC-5 of the South End Urban Renewal Plan and shall mean that property described in Exhibit A attached hereto and made a part hereof.

Section 101 (Cont.)

(c) "Plan" shall mean the South End Urban Renewal Plan, adopted by the Authority on Sept. 23, 1965 and approved by the City Council of the City of Boston on Dec. 6, 1965 and as it may be amended in accordance with the provisions therein contained, a copy of which has been delivered to the Redeveloper. The "term of the Plan" shall mean a period of forty (40) years from and after December 6, 2005.

(f) "Design Proposal" shall mean the drawings, sketches and plans submitted to the Authority, showing the general plan, elevations, dimensions and character of the improvements to be erected including any rehabilitation on the Property by the Redeveloper, including type, amount, distribution and area of the various uses on the Property.

(g) "Preliminary Working Drawings and Outline Specifications" shall mean site plans, floor plans, elevations and sections, outline specifications, and models which have been developed to show the detailed architectural character of the improvements to be erected, including rehabilitation, on the property and their relationship to the approved Design Proposal which shall be submitted to the Authority for its approval.

(h) "Final Working Drawings and Specifications" shall mean complete working drawings and specifications, ready for bidding, samples of materials, and a written statement of the differences, if any, from the approved Preliminary Working Drawings and Outline Specifications.

(i) "Improvements" shall mean the buildings and landscaping to be constructed, including all repairs, remodeling and rehabilitation, by the Redeveloper pursuant to the Final Working Drawings and Specifications.

Sec. 101 (Cont.)

(j) "Parcel" shall mean that portion of the Property which is conveyed or to be conveyed by means of a separate deed or upon which a separate improvement is to be constructed.

(k) "Architect" shall mean the firm of Samuel Glaser & Partners, acting pursuant to a contract for architectural services with respect to the Improvements to be erected on the Property, a copy of which contract has been deposited with the Authority, or such firm or contract as shall be substituted by the Redeveloper with the prior written consent of the Authority.

(l) "HUD" shall mean the Department of Housing and Urban Development or any duly authorized representative thereof.

(m) "Director" shall mean the Director of the Boston Redevelopment Authority, or any officer duly authorized to act in his behalf.

ARTICLE II

TRANSFER OF THE PROPERTY AND PAYMENT THEREFOR

Section 201: Covenant of Sale

Subject to all the terms, covenants and conditions of this Agreement, the Authority covenants and agrees to sell and convey, and the Redeveloper covenants and agrees to purchase the Property.

Section 202: Condition of Land to be Conveyed

(a) The Authority agrees that, at the time of sale and conveyance and delivery of possession of the Property, it shall be free and clear of all buildings, structures and Improvements except streets, sidewalks, and walls and foundations below the surface, and all cellar holes and excavations shall be filled to the level of the surrounding ground in a good and workmanlike manner. Existing trees to the extent possible will be preserved. The Property shall be uniformly graded and left free of mounds and depressions and the finished surface shall be rough graded so as to conform approximately to the street elevations of the area as they now exist. Nothing herein shall be construed to require the Authority to undertake to remove by blasting or in any other manner any natural outcroppings or deposit of rock which may be on the Property.

(b) The Authority agrees that it shall, without expense to the Redeveloper or public assessment against the Property, provide or cause to be provided the street improvements called for in the Plan, in such manner as to reasonably integrate the completion of such street improvements with the completion of Improvements to be built on the Property by the Redeveloper and the public utility adjustments called for in the Plan in a timely manner so as not to impede the construction of the Improvements on the Property.

(c) The Redeveloper agrees that upon the laying out, discontinuance, change in grade, or taking by the City of Boston of streets abutting or within the Property, no claim for damages by reason of such laying out, discontinuance, change in grade, or taking will be made by the Redeveloper.

Section 203: Deposit

The Authority hereby waives the receipt of a deposit made by the Redeveloper for the performance of its obligations hereunder.

Section 204: Purchase Price and Payment Thereof

(a) The purchase price for the Property shall be (\$90,500.00), subject to HUD concurrence.

(b) The payment shall be in cash or certified check drawn to the order of the Authority.

Section 205: Time of Sale and Conveyance

The sale and conveyance and delivery of possession of the Property and the purchase of the same by the Redeveloper shall take place at a place to be agreed upon by the parties hereto.

Section 206: Title and Instrument of Conveyance

The sale and conveyance shall be quitclaim deed of good and marketable fee simple title free and clear of all liens and encumbrances, but subject to and with the benefit of all conditions, covenants and restrictions set forth or referred to in this Agreement and the Plan or in either thereof.

Section 207: Federal Tax Stamps and Other Closing Costs

The Redeveloper shall pay the cost of any Federal or State documentary tax stamps which may be required, and the cost of recording the deed. This Agreement may be recorded by either the Authority or the Redeveloper (in either case at the Redeveloper's expense) with the consent of the other party, which consent shall not be unreasonably withheld.

Section 208: Adjustments

Taxes, charges, or assessments, allocable with respect to any period after delivery to the Redeveloper of a Deed hereunder shall be payable by the Redeveloper. In the event any parcel is exempt from taxation on the assessment date next preceding the conveyance hereunder by virtue of title being vested in the Authority or other

tax exempt entity, the Redeveloper shall pay the Authority in lieu of a tax adjustment a pro-rata amount of the taxes which would have been payable to the City of Boston if such parcel had not then been exempt from taxation, for that portion of the tax year during which the Redeveloper has title and possession. This payment in lieu of taxes shall be computed using the purchase price as the assumed assessment on the Property and using the tax rate for the current year if it is known, and if it is not known, the estimated tax rate established by the City Assessor. All closing costs and adjustments shall be paid the Authority upon delivery of the deed to the Property.

Section 209: Application of Redeveloper's Deposit

Upon issuance of the Certificate of Completion pursuant to Section 304 herein, the deposit, if any, made by the Redeveloper with the Authority in accordance with Section 203 hereof shall be returned to the Redeveloper.

Section 210: Conditions Precedent to Conveyance

The Authority shall not be obligated to make conveyance of the Property unless and until the following events have all occurred:

(a) Final Working Drawings and Specifications for the Property have been submitted by the Redeveloper and approved by the Authority as provided in Section 302 hereof.

(b) The Redeveloper has entered into a contract, satisfactory in form to the Authority, with a construction or building company under which such construction or building company shall have full and complete continuing responsibility to the Redeveloper for the construction of the Improvements as required herein, and a copy of this contract has been deposited with the Authority, which company shall not be changed without prior written consent of the Authority.

(c) The Redeveloper has furnished the Authority with a performance and payment surety bond or letter of credit or some combination thereof satisfactory in form to the Authority with the construction or building company as principal and the Redeveloper, the holder of any mortgage, if any, referred to in Section 402 hereof, and the Authority as beneficiaries, as their respective interests may appear. The total amount of this bond and letter of credit shall not be less than of the amount of the aforesaid construction contract.

(d) The Redeveloper has furnished evidence satisfactory to the Authority that the Redeveloper has the equity capital and commitments for mortgage financing adequate for the construction of the Improvements in accordance with said approved Final Working Drawings and Specifications and the construction contract.

(e) The Redeveloper has submitted a Letter of Intent executed by its construction contractor, substantially in the form attached hereto, marked Exhibit "B", and made a part hereof, in which the contractor undertakes to carry out all of the provisions of this Agreement in the Section entitled "Non-discrimination in Employment" and the requirements of the Authority's "Equal Opportunity Compliance Policy" adopted February 20, 1969, a copy of which has been marked Exhibit "C" and is attached hereto and made a part hereof.

(f) The Redeveloper has obtained a Building Permit from the City of Boston Building Department and has paid all application fees in connection therewith, and the Improvements described in the Building Permit are in accordance with the Final Working Drawings and Specifications approved by the Authority pursuant to Section 302 herein.

Section 211: Default by Authority

In the event that the Authority shall be unable to give title or to make conveyance or to deliver possession of the Property as provided for herein, then all obligations of the parties hereunder shall cease and this Agreement shall be void and the parties without recourse thereunder, unless the Authority shall elect to use reasonable efforts to remove any defect in title or to deliver possession as herein agreed, as the case may be, in which event the Authority shall give written notice thereof to the Redeveloper at or before the time for performance by the Authority hereunder, and thereupon the time for the performance by the Authority shall be extended for a period of ninety (90) days, or such longer period as the Authority and the Redeveloper shall mutually agree; provided, however, that the Redeveloper shall have the election, either at the original or any extended time for performance, to accept such title as the Authority can deliver to the Property (if then cleared) and to pay therefor without deduction, in which case the Authority shall convey such title to the Redeveloper. In the event that at the expiration of the extended time the Authority shall be unable to give title or to make conveyance or to deliver possession as herein provided, then, (1) the deposit, together with any interest earned thereon, shall be refunded, but only if the deposit has not been retained by the Authority pursuant to Section 801 or 802 herein, provided, however, that nothing herein contained shall require the Authority to earn any interest on the deposit; (2) all obligations of the parties hereto shall cease; and (3) this Agreement shall be void and without recourse to the parties hereto. The acceptance of a Deed by the Redeveloper shall be deemed a full performance and discharge of every agreement and obligation herein contained with respect to the Property, except such as are, by the express terms hereof, to be performed after the delivery of the Deed.

ARTICLE III

RESTRICTIONS AND CONTROLS UPON REDEVELOPMENT

Section 301: Restrictions on Use

(a) The Redeveloper agrees for itself, and its successors and assigns, and every successor in interest to the Property, or any part thereof, and the Deed shall contain covenants on the part of the Redeveloper for itself, and its successors and assigns, that the Redeveloper, its successors and assigns shall:

- (1) Devote the Property only to and in accordance with the uses specified in the Plan; and
- (2) Give preference in the selection of tenants for dwelling units built on the Property to families displaced from the Project Area because of clearance and redevelopment activity, who desire to live in such dwelling units and will be able to pay rents or prices equal to rents or prices charged other families for similar or comparable dwelling units built as part of the same redevelopment.
- (3) Not discriminate upon the basis of race, color, sex, religion, or national origin in the sale, lease or rental or in the use or occupancy of the Property or any Improvements erected or to be erected thereon, or any part thereof.

(b) The Redeveloper agrees to comply with all applicable rules and orders issued by the Department of Housing and Urban Development which prohibit the use of lead based paint in residential structures undergoing federally assisted construction or rehabilitation and requiring the elimination of lead based paint hazards.

(c) It is intended and agreed, and the Deed shall so expressly provide, that the covenants provided in subsection (a) of this Section shall be covenants running with the land binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Authority, its successors and assigns, the City

Section 301 (Cont.)

of Boston, and the United States, in the case of the covenant provided in subparagraph (3) of subsection (a), both for and in its or their own right and also to protect the interest of the community and other parties, public and private, in whose favor or for whose benefit the covenants have been provided, against the Redeveloper, its successor, and assigns, and every successor in interest to the Property or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof. It is further intended and agreed that the covenants provided in subparagraphs (1) and (2) of subsection (a) shall remain in effect for the term of the Plan, or until such date thereafter to which such term may be extended by proper amendment of the Plan. The covenant provided in subparagraph (3) of subsection (a) shall remain in effect without limitation as to time. The terms "uses specified in the Plan" and "land use" referring to provisions of the Plan, or similar language, in this Agreement shall include the land and all buildings, housing, and other requirements or restrictions of the Plan pertaining to such land.

(d) In order to effectuate the provisions of subparagraph (2) and (3) of subsection (a) of this Section and Section 308, the Redeveloper agrees to consult with the Authority with respect to its rental program, including preparation of advertising matter, brochures, leases, establishment of rental offices, and all aspects of said program which relate to or have an effect upon the selection of tenants. The Redeveloper further agrees to inform the Authority by ten (10) days' prior written notice thereof of its intention to permit initial occupancy of the Improvements built on the Property, and will not under any circumstances permit such occupancy without the prior written approval of the Authority. The Redeveloper shall not proceed with any such aspect of its rental program to which the Authority objects, and agrees to follow all reasonable suggestions of the

Section 301 (Cont.)

Authority with respect thereto, provided, however, that the Authority shall not require the Redeveloper to take any action inconsistent with the terms of any agreement between the MIFA and the Redeveloper.

(e) The Redeveloper agrees for itself, its successors and assigns, that during construction and thereafter the Redeveloper, and its successors and assigns, shall include in all advertising (including signs) for the sale and/or rental of the whole or any part of the Property, the legend "An Open Occupancy Building", in type or lettering of easily legible size and design. The word "Project" or "Development" may be substituted for the word "Building" where circumstances require such substitution.

(f) The Redeveloper agrees for itself, its successors and assigns, that during construction and thereafter the Redeveloper, and its successors and assigns, shall include in all advertising for the sale or rental of the Property, a statement to the effect: (a) that the Property is open to all persons without discrimination on the basis of race, color, sex, religion or national origin; and (b) that there shall be no discrimination in public access and use of the Property to the extent that it is open to the public.

Section 302: Improvements and Submission of Plans

(a) The Property shall be used for the construction of dwelling units for low and moderate income families and supporting facilities to be built in accordance with the Final Working Drawings and Specifications and the applicable standards and controls of the Plan.

(b) The Final Working Drawings and Specifications have been approved by the Authority on July 18, 1974.

(c) As promptly as possible, and in any case prior to conveyance, the Redeveloper shall submit to the Authority for review and approval by the Authority, evidence satisfactory to the Authority that the Redeveloper has the equity capital and commitments for mortgage financing

(d) The Redeveloper shall not apply for a building permit for the construction of the Improvements to be erected on the Property without the prior certification of the Authority that the work to be done or completed is in accordance with the Final Working Drawings and Specifications approved by the Authority. No work shall be done on the construction of the Improvements to be erected on the Property unless such work conforms in every respect with such approved Final Working Drawings and Specifications, except and only to the extent that modifications thereof have been requested by the Redeveloper in writing and have been approved in writing by the Authority.

It is agreed that any and all change orders issued and implemented subsequent to approval by the Authority of Final Working Drawings and Specifications constitute a deviation from said approved Final Working Drawings and Specifications. The Redeveloper agrees that no such change order will be issued or implemented unless such change order shall have been submitted to and approved in writing by the Authority prior to its issuance or implementation.

In the event the Redeveloper shall fail to comply with the foregoing requirements, the Authority may, within a reasonable time after discovery thereof by the Authority, direct in writing that the Redeveloper so modify or reconstruct such portion or portions of the Improvements erected or being erected on the Property as are not in conformance with the approved Final Working Drawings and Specifications or any approved modifications thereof, or change order therefor as to bring them into conformance therewith. The Redeveloper shall promptly comply with such a directive.

Section 302 (Cont.)

(c) In submitting all plans and specifications to the Authority for its approval, the Redeveloper shall consider and take into account the planning and design objectives set forth in the Plan, and the Authority shall pursue such objectives in its review of and action upon the plans and specifications so submitted.

(f) The Redeveloper shall not discharge the Architect without cause or hire new or additional architects or alter or amend the contract for architectural services between the Architect and the Redeveloper without in each instance obtaining the prior written consent of the Authority. All MHFA requirements concerning the employment and services of architects shall also be observed.

(g) No sign shall be erected or placed on the exterior of any building on the Property, nor on any portion of the Property which is not enclosed within a building, unless the character, location, design, size, shape, form and lighting of such sign shall have been approved by the Authority in writing. Without limiting in any way the scope of the Authority's review, no sign shall be approved which does not meet the following standards. Signs may only be erected or placed upon the ground floor street facade of each store, if any, or other individual use. No signs will be permitted on awnings or marquee, if any, nor on projections, if any, over the sidewalk. All signs shall be belt type. Flashing, illuminated signs, exposed neon signs or signs other than those relating to businesses on the site, if any, shall not be permitted.

Section 303: Time for Commencement and Completion of Construction

(a) The Redeveloper shall begin the construction of the Improvements on the Property in accordance with the approved Final Working Drawings and Specifications within fifteen (15) days after delivery of the Deed to and possession of the Property to the

Section 303 (Cont.)

Redeveloper, and completion of site work by the Authority as stated in Section 202.

(b) The Redeveloper shall diligently prosecute to completion the construction of the Improvements on the Property and shall complete such construction not later than the time specified therefor in the Construction Loan Agreement, 18 months from this date.

(c) The Redeveloper shall submit a detailed estimated progress schedule at the time construction is begun, in a format generally used in the construction of buildings. This schedule shall be resubmitted each month until the construction of the Improvements has been completed, with actual progress shown. This monthly submission shall be accompanied by a written report by the Redeveloper citing any adjustments to the progress forecast, analyzing the causes thereof, and, where applicable, noting corrective efforts. After the sale and conveyance and delivery of possession of the Property to the Redeveloper and during the period of the Plan, such work of the Redeveloper shall be subject to inspection by representatives of the Authority, of the City, the MHEV, and the United States of America, and the Authority shall notify the Redeveloper promptly of any defects observed by it.

(d) Prior to the sale and conveyance and delivery of possession of the Property, the Authority shall permit the Redeveloper access thereto, whenever and to the extent necessary to carry out the purposes of this Agreement.

(e) It is intended and agreed that the agreements and covenants contained in this Section 303 with respect to the beginning and completion of the Improvements on the Property shall be covenants running with the land. This subsection shall not, however, apply against a mortgagee permitted by this Agreement unless the mortgagee shall elect to complete as permitted in Section 403, in which case the extension provisions of that Section shall apply.

Section 304: When Improvements Completed

The building of Improvements on the Property shall be deemed completed for the purposes of this Agreement when the Improvements required of the Redeveloper by the provisions of this Agreement, the approved Final Working Drawings and Specifications, and any approved modifications thereof, have been built and are ready for occupancy, and shall incontestably be deemed completed for the purposes of this Agreement upon the issuance of a Certificate of Completion by the Authority.

Promptly after completion of the Improvements in accordance with the provisions of this Agreement, the Authority will furnish the Redeveloper with an appropriate instrument so certifying. Such certification by the Authority shall be (and it shall be so provided in the Deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement and in the Deed with respect to the obligation of the Redeveloper and its successors and assigns, to construct the Improvements and the dates for the beginning and completion thereof; Provided, that such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Redeveloper to any holder of a mortgage, or any insurer of mortgage, covering money loaned to finance the Improvements, or part thereof on the purchase of the Property.

With respect to such individual parts or parcels of the Property on the Redeveloper is authorized by this Agreement to convey or lease as the Improvements to be constructed thereon are completed, the Authority will also, upon proper completion of the Improvement related to any such part or parcel certify to the Redeveloper that such Improvements have been made in accordance with the provisions of this Agreement. Such certification shall be (and it shall be so provided in the Deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement and in the Deed with respect to the obligation of the Redeveloper and its successors and assigns, to construct the Improvements and the dates for the beginning and completion thereof; Provided, that such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Redeveloper to any holder of a mortgage, or any insurer of mortgage, covering money loaned to finance the Improvements, or part thereof on the purchase of the Property.

contained shall not (because of such purchase or lease) incur any obligation with respect to the construction of the Improvements relating to such part or parcel or to any other part or parcel of the property; and (2) that neither the Authority nor any other party shall thereafter have or be entitled to exercise with respect to any such individual part or parcel so sold (or in the case of lease, with respect to the leasehold interest) any rights or remedies or controls that it may otherwise have or be entitled to exercise with respect to the Property as a result of a default in or breach of any provisions of this Agreement or the Deed by the Redeveloper or any successor in interest or assign, unless (i) such default or breach be by the purchaser or lessee, or any successor in interest or assign of or to such individual part or parcel with respect to the covenants contained and referred to in Section 301 of this Agreement, and (ii) the right, remedy, or control relate to such default or breach. All certifications provided for in this Section shall be in such form as will enable them to be recorded in the Registry of Deeds for Suffolk County, Commonwealth of Massachusetts. If the Authority shall refuse or fail to provide any certification in accordance with the provisions of this Section, the Authority shall, within ninety (90) days after written request by the Redeveloper, provide the Redeveloper with a written statement, indicating in adequate detail in what respects the Redeveloper has failed to complete the Improvements in accordance with the provisions of this Agreement or is otherwise in default and what measures or acts it will be necessary, in the opinion of the Authority, for the Redeveloper to take or perform in order to obtain such certification.

The Redeveloper agrees that the Authority shall be under no obligation to issue a Certificate of Completion until such time as the Authority has had a reasonable opportunity to inspect the Improvements constructed pursuant to the provisions of this Agreement, the approved Final Working Drawings and Specifications, and any approved

Section 304 (Cont.)

modifications thereof; provided however, that the Authority shall not be required to make an inspection hereunder unless the Redeveloper has requested in writing that the Authority issue a Certificate of Completion.

Section 305: Prompt Payment of Obligations

The Redeveloper shall use due diligence to make, or cause to be made, prompt payment of all money due and legally owing to all persons, firms, and corporations doing any work, furnishing any materials or supplies or renting any equipment to the Redeveloper or any of its contractors or subcontractors in connection with the development, construction, furnishing, repairs or reconstruction of any of the Improvements required by this Agreement to be constructed upon the Property.

Section 306: Access to the Property by Authority and City Personnel

To the extent of its authority to do so, the Redeveloper, its successors and assigns, shall from time to time until the expiration of the term of the Plan, at all reasonable hours, give to the duly authorized representatives of the Authority, the City, ^{/U.S.A.} free and unobstructed access for inspection purposes to any and all of the Improvements constructed on the Property by the Redeveloper, its successors and assigns, and to all open areas surrounding the same.

Section 307: Non-Discrimination in Employment

The Redeveloper, for itself, its successors and assigns agrees that in the construction of the Improvements in accordance with the provisions of this Agreement:

- (a) The Redeveloper will not discriminate against any employee or applicant for employment because of race, color, sex, religion or national origin. The Redeveloper will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such

Section 307 (Cont.)

action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Redeveloper agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Authority setting forth the provisions of this non-discrimination clause.

- (b) The Redeveloper will, in all solicitations or advertisements for employees placed by or on behalf of the Redeveloper, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (c) The Redeveloper will send to each labor union or representative of workers with which the Redeveloper has a collective bargaining agreement or other contract of understanding, a notice, to be provided advising the said labor union or worker's representative of the Redeveloper's commitments under Section 202 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (d) The Redeveloper will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations and relevant orders of the Secretary of Labor.
- (e) The Redeveloper will furnish all information and reports required by Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and by the rules, regulations, and orders of the Secretary of Labor, or the Secretary of Housing and Urban Development pursuant thereto, and will permit access to the Redeveloper's books, records, and accounts by the Authority, the Secretary of Housing and Urban Development, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (f) In the event of the Redeveloper's noncompliance with the non-discrimination clauses of this Section, or with any of the said rules, regulations, or orders, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Redeveloper may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, or by rules, regulations, or orders of the Secretary of Labor, or as otherwise provided by law.

Section 307 (Cont.)

- (g) The Redeveloper will include the provisions of Paragraphs (a) through (g) of this Section in every contract or purchase order, and will require the inclusion of these provisions in every subcontract entered into by any of its contractors, unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, so that such provisions will be binding upon each such contractor, subcontractor, or vendor as the case may be. The Redeveloper will take such action with respect to any construction contract, subcontract, or purchase order as the Authority or the Department of Housing and Urban Development may direct as a means of enforcing such provisions, including sanctions for noncompliance. provided, however, that in the event the Redeveloper becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the Authority or the Department of Housing and Urban Development, the Redeveloper may request the United States to enter into such litigation to protect the interest of the United States.

For the purpose of including such provisions in any construction contract, subcontract, or purchase order, as required hereby, the first three lines of this Section shall be changed to read: "During the performance of this Contract, the Contractor agrees as follows:" and the term "Redeveloper" shall be changed to "Contractor".

Section 308: Preference to be Given to Displacees

The Redeveloper agrees to give preference in the selection of tenants for dwelling units built on the Property to displaced families in accordance with the following schedule of priorities; provided, however, that such families are eligible for occupancy under applicable regulations, and provided further that such families meet the financial capability and all other standards of the Redeveloper:

- (a) To families displaced from the Project Area.

Section 303 (Cont.)

(b) To families displaced by other governmental activities.

In the event that the Redeveloper shall fail to grant preference to displaced site occupants in accordance with this Section, the Authority may institute such action and proceedings as may be necessary to effectuate the purpose of this Section, including suits to compel specific performance and payment of damages, expenses, and costs, including damages, expenses, and costs accruing to the displaced site occupant to whom such preference has been denied.

ARTICLE IV

TRANSFER AND MORTGAGE OF REDEVELOPER'S INTEREST

Section 401: General Terms Relating to Transfer of Interest in Property by Redeveloper

(a) Prior to the completion of the construction of the Improvements on the Property in accordance with Section 304 of this Agreement, no party owning ten (10%) percent or more of the stock or other evidence of ownership, if any, of the Redeveloper (which term shall be deemed to include successors in interest of such stock) shall transfer, or cause or suffer any transfer, except as involuntary transfer caused by the death or incapacity of any such party or except as provided in Section 402 hereof, to be made of any such stock or any interest therein without the written approval of the Authority; nor without such approval, shall there be any other similarly significant change in the ownership of such stock or in the relative distribution thereof or in the control of the Redeveloper or degree thereof, by any other methods or means such as increased capitalization, merger, corporate or other amendments, the issuance of additional or new stock or otherwise, whether done by the Redeveloper or any owner of stock. The Redeveloper, and its authorized representatives, represent that they have the authority of all of its existing stockholders to agree to this provision in their behalf. Until completion of the Improvements, the Redeveloper shall advise the Authority of any changes in stock ownership and shall in addition furnish the Authority with an up-to-date list of stockholders, if any, setting forth the amounts of stock owned by each stockholder.

(b) The Redeveloper agrees that it will not, prior to the completion of the construction of the Improvements on the Property, make or suffer to be made, any assignment or any manner of transfer of its interest in the property or portion thereof, or in this Agreement, other than contracts or agreements to be performed

Section 401 (Cont.)

subsequent to such completion, except as provided in subsection (c) of this Section 401 and Section 402, and except that leases of individual units may be entered into provided that rental payments commence only upon completion of the unit leased.

(c) Notwithstanding the provisions of subsection (b) of this Section 401, an assignment or transfer of the Redeveloper's interest in the Property or any portion thereof or in this Agreement may be made prior to the completion of the construction of the Improvements thereon upon compliance with the following conditions:

(1) The transferee or transferees shall have been approved as such, in writing, by the Authority.

(2) The transferee or transferees, by valid instrument in writing, satisfactory to the Authority, shall have expressly assumed for themselves and their successors and assigns and directly to and for the benefit of the Authority, all obligations of any person or persons, including the Redeveloper, to begin and complete the building of the Improvements and all obligations of the Redeveloper provided for in this Agreement, including the obligations of performance in accordance with the Plan, provided, that the fact that any transferee, or any other successor in interest whatsoever to the Property or any part thereof, shall, whatever the reason, not have assumed such obligations or so agreed, shall not (unless and only to the extent otherwise, specifically provided in this Agreement or agreed to in writing by the Authority) relieve or except such transferee or successor of or from such obligations, conditions, or restrictions, or deprive or limit the Authority of or with respect to any rights or limitations or controls with respect to the Property or the construction of the Improvements; it being the intent of this, together with other provisions of this Agreement, that, to the fullest extent permitted by law and equity and excepting only in the manner

Section 401 (Cont.)

and to the extent specifically provided otherwise in this Agreement, no transfer of, or change with respect to ownership shall operate, legally or practically, to deprive or limit the Authority of or with respect to the Property and the construction of the Improvements that the Authority would have, had there been no such transfer or change. Therefore, in the absence of a specific written agreement by the Authority to the contrary, no such transfer or approval thereof by the Authority shall be deemed to relieve the Redeveloper or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Improvements, from any of its obligations with respect thereto.

(3) Any consideration obtained by the Redeveloper from the transferee or transferees in excess of an amount representing the actual cost to the Redeveloper of the Property transferred or interest transferred, including the cost of any Improvements made thereon and carrying charges, shall be paid over to the Authority.

(4) There has been submitted to the Authority for review, and the Authority has approved, all instruments and other legal documents involved in effecting transfer.

(5) The Redeveloper and its transferee or transferees shall comply with such other conditions as the Authority may find desirable in order to achieve and safeguard the purposes of the Massachusetts Housing Authority Law, Chapter 121A, if applicable, and the Plan.

(d) After the completion of the Improvements, as certified by the Authority, the Redeveloper may assign or otherwise transfer any portion of the Property, or the Redeveloper's interest therein, to the extent permitted by and subject to the provisions of Chapter 121A, if applicable, and the rules and regulations of the MHA.

Section 402: Mortgage of Property by the Redeveloper

Notwithstanding any other provisions of this Agreement, but subject to Chapter 121A and the application thereunder, if applicable, the Redeveloper shall at all times have the right to encumber, pledge, or convey its rights, title and interest in and to the Property, or any portion or portions thereof, and stockholders of the Redeveloper, if any, shall have at all times the right to encumber their stock, by way of bona fide mortgage to secure the payment of any loan or loans obtained by the Redeveloper to finance the development, construction, repair or reconstruction of any of the Improvements required to be constructed by the Redeveloper on the Property by the Plan and this Agreement, or to refinance any outstanding loan or loans therefor obtained by the Redeveloper for any such purpose; provided, however, that the Redeveloper and its stockholders, as the case may be, shall give prior written notice to the Authority of its or their intent to exercise such rights hereunder.

The holder of any such mortgage (including a holder who obtains title to the Property or portion thereof by foreclosure or action in lieu thereof, but not including a party who obtains title through such holder or any purchaser at a foreclosure sale other than the holder) shall not be obligated by this Agreement to construct or complete the Improvements or to guarantee such construction or completion, but shall have the options described in Section 403.

Section 403: Rights and Duties of Mortgagee upon Acquisition Prior to Completion

(a) If a mortgagee through the operation of its contract to finance the Improvements required by this Agreement to be constructed by the Redeveloper on the Property, or by foreclosure acquires fee simple title to the Property or any part thereof prior to the completion of such Improvements, the mortgagee shall, at its option, under Section 15A of Chapter 121A, if applicable, either:

Section 403 (Cont.)

- (1) complete construction of such improvements in accordance with the approved Final Working Drawings and Specifications, the Site Plan, the Plan and this Agreement, and in all respects comply with the provisions of this Agreement, or
- (2) sell, assign, or transfer, with the prior written consent of the Authority, fee simple title to the Property or part thereof to a purchaser, assignee or transferee who shall expressly assume all of the covenants, agreements and obligations of the Redeveloper under this Agreement in respect to the Property or part thereof, by written instrument satisfactory to the Authority and recorded forthwith in the Suffolk County Registry of Deeds, or
- (3) reconvey fee simple title to the Property or part thereof to the Authority, in which event the provisions of Section 802 relative to resale shall apply.

(b) In the event that a mortgagee elects to complete construction pursuant to (a) (1) above, or sells, assigns or transfers pursuant to (a) (2) above, the Authority shall extend the time limits set forth in Section 303 herein as shall be reasonably necessary to complete construction of the Improvements, and upon such completion, the mortgagee or purchaser, as the case may be, shall be entitled to the Certificate of Completion pursuant to Section 304 hereof.

Section 404: Rights and Duties of Mortgagee Upon Acquisition After Completion

If a mortgagee, through the operation of its contract to finance the Improvements required by this Agreement to be constructed by the Redeveloper on the Property, or by foreclosure acquires the mortgage or fee simple title to the Property or any portion thereof after completion of such Improvements, the mortgagee for the period during which said mortgagee holds such title, shall comply with

Section 404 (Continued)

applicable provisions of this Agreement, notwithstanding such Mortgagee's election of any option under Section 16A of Chapter 121A, if applicable.

ARTICLE V

PROVISIONS RELATING TO OPERATION AND MAINTENANCE

Section 501: Maintenance and Operation of Improvements

The Redeveloper shall, at all times until the expiration of the term of the Plan, carry out the Project, keep the Improvements constructed on the Property in good and safe condition and repair unless such Improvements shall have become uninsurable, and in the occupancy, maintenance and operation of such Improvements, the Property shall comply with all laws, ordinances, codes and regulations applicable thereto, the Application under Chapter 121A, and the Contract entered into with the City of Boston as referred to therein, if applicable.

Section 502: Additions or Subtractions to Completed Improvements

After the Improvements required by the Plan and this Agreement to be constructed by the Redeveloper on the Property or any portion thereof have been completed, the Redeveloper shall not, until the expiration of the term of the Plan, reconstruct, demolish, subtract therefrom, make any additions thereto or extensions thereof, or change the materials, design, dimensions of color thereof, if such reconstruction, demolition, subtraction, addition, extension or change will affect in any way the external appearance of public lobbies, arcades, open spaces or landscaping, or the external appearance of any building (including roof and penthouse) without the prior written approval of the Authority. In the event the Redeveloper shall fail to comply with the foregoing requirement, the Authority may within a reasonable time after its discovery thereof, direct in writing that the Redeveloper so modify, reconstruct or remove such portion or portions of the Improvements as were reconstructed, demolished or subtracted from or added to or extended or changed without the prior written approval of the Authority. The Redeveloper shall promptly comply with such a directive, and shall not proceed further with

Section 502 (Cont.)

such reconstruction, demolition, subtraction, addition, extension or change until such directive is complied with. Any such reconstruction, demolition, subtraction, addition, extension or change undertaken pursuant to the prior written approval of the Authority shall in all respects be in accordance with and conform to the provisions of the Plan.

ARTICLE VI

INDEMNIFICATION

Section 601: Reimbursement of Authority in Respect of
Certain Litigation

The Redeveloper shall pay all reasonable costs and expenses and the amount of all judgments and decrees, which may be incurred by the Authority in proceedings brought to enforce compliance with the provisions of this Agreement, to the extent the Authority prevails. It is expressly understood, however, that the mortgagee under any mortgage permitted hereunder shall not be liable to the Authority for any costs, expenses, judgments, decrees or damages which shall have accrued against the Redeveloper, except that a Mortgagee who becomes a Mortgagee after, and who acquires title after the Redeveloper has become liable for any costs, expenses, judgments, decrees or damages with actual or constructive knowledge of such liabilities, is also liable for such liabilities.

ARTICLE VII

INSURANCE

Section 701: Insurance Coverage

(a) The Redeveloper shall, until the expiration of the term of the Plan, keep all of the insurable property and equipment in respect of the Property insured by fire and extended insurance and additional risk insurance to the same extent and amount which is normally required by institutional mortgagees in the use of similar property and equipment in the City. Such insurance shall be in amount sufficient to comply with the co-insurance clause applicable to the location and character of the property or equipment, and, in any event, in amounts not less than eighty per centum (or eighty per centum in the case of extended coverage insurance) of the current cash value of such property or equipment. All such insurance shall be by standard policies, obtained from financially sound and responsible insurance companies authorized to do business in Massachusetts, and shall have attached thereto a clause making the loss payable to the Redeveloper, the mortgagee, and, subject to the rights of the mortgagee, the Authority, as their respective interests may appear.

(b) Each insurance policy shall be written to become effective at the time the Redeveloper becomes subject to the risk or hazard covered thereby, and shall be continued in full force and effect for such period as the Redeveloper is subject to such risk or hazard.

(c) Certificates of such policies and renewals shall be filed with the Authority.

Section 702: Non-Cancellation Clause

All insurance policies shall provide that any cancellation, change or termination thereof shall not be effective with respect to the Authority until after at least ten (10) days' prior notice has been given to the Authority to the effect that such insurance policies are to be cancelled, changed, or terminated at a particular time.

Section 703: Authority May Procure Insurance if Redeveloper Fails to Do So

If the Redeveloper at any time refuses, neglects or fails to secure and maintain in full force and effect any or all of the insurance required pursuant to this Agreement, the Authority at its option, may procure or renew such insurance, and all amounts of money paid therefor by the Authority shall be payable by the Redeveloper to the Authority; with interest thereon at the rate of six per centum (6%) per annum from the date the same were paid by the Authority to the date of payment thereof by the Redeveloper. The Authority shall notify the Redeveloper in writing of the date, purposes, and amounts of any such payments made by it.

Section 704: Redeveloper's Obligations with Respect to Restoration and Reconstruction

(a) Whenever any improvement, or any part thereof, constructed on the Property shall have been damaged or destroyed prior to the expiration of the term of the Plan, the Redeveloper shall proceed promptly to establish and collect all valid claims which may have arisen against insurers or others based upon any such damage or destruction. All proceeds of any such claim and any other monies provided for the reconstruction, restoration or repair of any such improvement, shall be deposited in a separate account of the Redeveloper or of any mortgagee.

(b) The insurance money and any other proceeds so collected shall be used and expended for the purpose of fully repairing or reconstructing the improvements which have been destroyed or damaged to a condition at least comparable to that existing at the time of such damage or destruction to the extent that such insurance money and other proceeds may permit. Any excess proceeds after such repair or reconstruction has been fully completed shall be retained by the Redeveloper, subject to the rights of any mortgagee of record permitted hereunder.

Sec. 704 (Cont.)

(c) The Redeveloper, with the written approval of the Authority and any mortgagee of record permitted hereunder, may determine that all or any part of any such damage to or destruction of such improvements shall not be reconstructed, restored, or repaired, and in such event, the proceeds of any claims against insurers or others arising out of such damage or destruction, to the extent not used for such reconstruction, restoration, or repair shall be retained by the Redeveloper.

(d) Any reconstruction or repair undertaken pursuant to the provisions of this section shall in all respects be in accordance with and conform to the provisions of the Plan.

Section 705: Commencement and Completion of Reconstruction

The Redeveloper shall commence to reconstruct or repair any improvements and equipment on the Property, or any portion thereof, which have been destroyed or damaged prior to the expiration of the term of the Plan, within a period not to exceed six (6) months after the insurance or other proceeds with respect to such destroyed or damaged property have been received by the Redeveloper or any mortgagee (or, if the conditions then prevailing require a longer period, such longer period as the Authority may specify in writing), and shall well and diligently and with dispatch prosecute such reconstruction or repair to completion, such reconstruction or repair in any event to be completed within twenty-four (24) months after the start thereof.

ARTICLE VIII

RIGHTS, REMEDIES AND PROCEDURES
IN THE EVENT OF A BREACH BY REDEVELOPER

Section 801: Failure or Refusal by Redeveloper to Purchase
Fee Simple Title and Possession

(a) If the Redeveloper shall fail or refuse to submit working drawings and specifications satisfactory to the Authority as provided in

Sec. 801 (Cont.)

Section 302 of this Agreement, or shall fail or refuse to submit evidence satisfactory to the Authority that it has the necessary equity capital and commitments for mortgage financing as provided in Section 210, or shall (other than as provided in Section 211 of this Agreement) fail or refuse to complete the purchase and accept possession of the Property upon proper tender of conveyance by the Authority pursuant to this Agreement, or there is any unauthorized change in the ownership or distribution of the stock in the Redeveloper or with respect to the identity of the parties in control of the Redeveloper or degree thereof, the Authority shall have the right to retain the deposit, if any, held by it pursuant to Section 203 as full liquidated damages, but not as a penalty, without any deduction or offset whatever and without further liability to the Authority on the part of the Redeveloper; and the Authority may, upon such failure or refusal, in its sole discretion terminate, by written notice to the Redeveloper, all of its obligations to the Redeveloper hereunder, in addition to retaining such deposit.

Section 802: Consequences of Breach by Redeveloper
With Respect to Commencement and Completion
of Construction, Failure to Pay Taxes or
Discharge Encumbrances, or Unauthorized
Transfers of Interest

If, prior to completion of the improvements:

- (1) The Redeveloper shall fail to perform its obligations under this Agreement with respect to commencement, diligent prosecution, or completion of construction of improvements;
- (2) The Redeveloper shall fail to pay any real estate taxes or assessments on the Property or any part thereof when due, or shall place or suffer to be placed thereon any encumbrances or liens other than the mortgage lien authorized by this Agreement; or

Sec. 802 (Cont.)

- (3) There is in violation of this Agreement any transfer of the Property or any part thereof, or any change in the ownership or distribution of the stock, if any, in the Redeveloper or with respect to the identity of the parties in control of the Redeveloper or degree thereof;

the Authority shall in writing notify the Redeveloper of such failure or violation. The Redeveloper shall thereupon have ninety (90) days from the receipt by it of such written notice to cure such failure or violation. If the Redeveloper does not cure such failure or violation within the 90-day period (or within such extended period of time as may be established by the Authority acting solely in its discretion) and if the holders of record of building loan agreements and/or first mortgages in replacement thereof do not exercise their rights to cure such violation or failure (as provided in Section 804 hereof), or if this contract is cancelled, terminated or suspended pursuant to Section 306 hereof the Redeveloper shall promptly transfer possession of, and reconvey, the Property together with all of the improvements thereon, to the Authority without cost to the Authority, by quitclaim deed, provided that such reconveyance (1) shall be subject to any existing building loan agreements and mortgages thereon permitted under this Agreement, and (2) shall not include any parcels with respect to which a Certificate of Completion has been issued pursuant to Section 304. In the event of such failure to cure, the Authority shall also have the right to enforce its rights under the surety bond referred to in Section 210. If the Redeveloper shall fail so to reconvey, the Authority may institute such actions or proceedings as it may deem advisable as well as proceedings to compel specific performance and the payment of all damages, expenses and costs.

Sec. 802 (Cont.)

In the event of a failure to cure under this Section, or if the contract is canceled, terminated or suspended pursuant to Section 306, the Authority shall have the right to re-enter and take possession of the Property and to terminate (and re-vest in the Authority) the estate conveyed by the Deed to the Redeveloper, it being the intent of this, together with other provisions of this Agreement, that the conveyance of the Property to the Redeveloper shall be made upon, and that the Deed shall contain, a condition subsequent to the effect that in the event of such failure to cure, the Authority at its option may declare a termination in favor of the Authority of the title, and of all the rights and interest in the Property and that such title, and all rights and interest of the Redeveloper, and any assigns or successors in interest, in the Property, shall revert to the Authority; provided, that such condition subsequent and any re-vesting of title as a result thereof in the Authority: (1) shall always be subject to and limited by and shall not defeat, render invalid, or limit in any way the lien of any mortgage authorized by this Agreement, or any rights or interests provided herein for the protection of the holders of such mortgages, and (2) shall not apply to Parcels of the Property with respect to which a Certificate of Completion has been issued pursuant to Section 304.

If the Redeveloper or a mortgagee reconveys to the Authority, pursuant to this Section 802 or Section 403, or if the Authority shall re-enter pursuant to this Section 802, the Authority shall undertake with due diligence to resell the Property so reconveyed or which it has so re-entered, and the improvements thereon, subject to all of the provisions of the Plan; and the proceeds of such resale, together with the net income, if any, derived by the Authority from its operation and management of the Property subsequent to such reconveyance shall be used:

First: to reimburse the Authority for all costs and expenses reasonably and proximately incurred by the Authority, including the salaries of

Sec. 102 (Cont.).

Authority personnel, in connection with the recapture, management and resale of the Property and all administrative and overhead costs in connection therewith;

Next: to reimburse the Authority for expenditures made or obligations incurred with respect to the making or completion of improvements on the Property for which it has not otherwise been reimbursed;

Next: to pay all taxes, payments in lieu of taxes, public charges and other sums owing to the City with respect to the Property up to the time of such resale (or in the event the Property is exempt from taxation during the period of ownership thereof by the Authority, an amount equal to such taxes as would have been payable if the Property were not so exempt); and

Finally:

- (a) In their respective order of priority to pay any and all mortgage indebtedness authorized by this Agreement and to make all and whatever payments may be necessary to discharge any other encumbrances or liens existing or threatened on the Property, in favor of mechanics, materialmen or subcontractors;
- (b) To pay or reimburse the Authority for any amounts otherwise owing to the Authority from the Redeveloper;
- (c) If there is any balance of proceeds remaining, to use the balance of the proceeds to reimburse the Redeveloper for and up to the amount expended by it in the purchase and improvement of the Property less any profit theretofore realized by the Redeveloper from the disposition of any interest in the Property, and any income realized by the Redeveloper from its use of the Property, and
- (d) Any balance remaining shall remain the property of the Authority.

Section 803: Notice of Breaches to Mortgagees

If the Authority, pursuant to Section 802 of this Agreement, gives written notice to the Redeveloper of a failure to commence or complete construction, the Authority shall forthwith furnish a copy of the notice to each of the mortgagees of record of the Property permitted under this Agreement. To facilitate the operation of this Section, the Redeveloper shall at all times keep the Authority provided with an up-to-date list of names and addresses of mortgagees and holders of building loan agreements from whom the Redeveloper has obtained loans for redevelopment operations. Any such mortgagee or holder may notify the Authority of its address and request that the provisions of Section 907 as they relate to notices apply to it. The Authority agrees to comply with any such request.

Section 804: Mortgagee May Cure Breach of Redeveloper

If the Redeveloper received notice from the Authority of a failure to commence or complete construction, pursuant to Section 802 of this Agreement and such breach is not cured by the Redeveloper before the expiration of the ninety (90) day period provided for in Section 802, the holders of record of construction loan agreements and/or mortgages in replacement thereof may cure any such failure and complete the construction then in progress in accordance with the working drawings and specifications the Plan and this Agreement upon giving written notice of their intention to do so to the Authority within fifteen (15) days after the expiration of the ninety (90) day period, or within sixty (60) days after such holder receives such notice of failure, whichever period is longer.

Section 805: Remedies for Other Breaches

It is understood by the parties hereto that in the event any party shall fail to comply with or violate any of the provisions of this Agreement, then the other party hereto may institute such actions and proceedings as may be appropriate, including actions and proceedings to compel specific performance and payment of all damages, expenses, and costs. Neither these remedies nor that class of remedies more particularly described in this Agreement shall be exclusive unless

Sec. 306 (Cont.)

specifically so described, provided, however, that the remedies prescribed in Sections 301 or 302 for the default's therein described shall be exclusive.

Section 306: Equal Opportunity Compliance Policy and Breach Thereof

If, at any time prior to the issuance of the final Certificate of Completion pursuant to the terms of Section 304 hereof, the Director shall find that the Redeveloper and/or its General Contractor have failed to comply with the requirements of the Authority's "Equal Opportunity Compliance Policy" and the provisions of Sections 210 (e) and 306 hereof, the Director shall issue notice of such finding, setting forth the reasons therefor. Such notice shall be sent registered mail, return receipt requested, to the Redeveloper and its General Contractor.

The Redeveloper and/or its General Contractor shall have the right to appeal such finding to the Boston Redevelopment Authority within thirty (30) days of receipt of the notice thereof. Within thirty (30) days after receipt by the Authority of written notice of the Redeveloper's and/or its General Contractor's intention to appeal said finding, or at the next regular meeting of the Authority, whichever is later, the Authority shall hear such appeal at a public meeting.

Upon the failure of the Redeveloper and/or its General Contractor to appeal the finding of the Director, or upon a determination by the Authority, subsequent to any appeal, that the Redeveloper and/or its General Contractor have failed to comply with the requirements of the Authority's "Equal Opportunity Compliance Policy" and the provisions of Section 210 (e) and 306 of this Agreement, the Authority shall have the right to retain the amount deposited with the Authority pursuant to Section 203 hereof, and still on deposit with the Authority, as full liquidated damages, but not as penalty, without any deduction or offset whatsoever and without further liability to the Authority on the part of the Redeveloper.

Sec. 106 (Cont.)

Upon the failure of the Redeveloper and/or its General Contractor to appeal the finding of the Director, or upon the determination by the Authority, subsequent to an appeal of the finding, that the Redeveloper and/or its General Contractor have failed to comply with the requirements of the Authority's "Equal Opportunity Compliance Policy" and the terms and provisions of Sections 210 (e) and 306 of this Agreement, the Director shall send a notice of his finding and any Authority action related thereto to the following:

- (a) Secretary, Department of Housing and Urban Development
- (b) Regional Administrator, Department of Housing and Urban Development
- (c) Commissioner, Federal Housing Administration
- (d) Director, Boston Office, Federal Housing Administration
- (e) Massachusetts Committee Against Discrimination in Housing
- (f) Association of General Contractors
- (g) The Building Trades Council
- (h) Mayor, City of Boston
- (i) Mortgagee, and
- (j) Such other interested parties as the Director may deem appropriate.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 901: Obligations and Rights and Remedies
Cumulative and Separable

The respective rights and remedies of the Authority and Redeveloper, whether provided by this Agreement or by law, shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude the exercise, at the same or different times of any other such rights or remedies, except, however, that the remedies prescribed in Section 801 and 802 for the defaults therein described shall be exclusive.

Section 902: Finality of Approvals

Where, pursuant to this Agreement, any document or proposed action by the Redeveloper is submitted by it to the Authority, and the Redeveloper has been notified in writing by the Authority that the same is approved or is satisfactory, such determination shall be conclusively deemed to be a final determination by the Authority with respect to such particular document or proposed action for which such approval or notice of satisfaction was given.

Where the consent or approval of the Authority is required hereunder, such consent or approval shall not be unreasonably withheld.

Section 903: How Agreement Affected by Provisions Being Held Invalid

If any provisions of this Agreement are held invalid, the remainder of this Agreement shall not be affected thereby, if such remainder would then continue to conform to the requirements of applicable laws and of the Plan.

Section 904: Covenants to be Enforceable by Authority and United States

The covenants herein contained, which are expressed to be covenants running with the land, shall be stated or incorporated by reference in any instrument of conveyance relating to the Property or any portion thereof or any interest therein and shall in any event and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Agreement be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by, the Authority (and the United States in the case of the covenants provided in Section 301 (a) (3) hereof) against the Redeveloper (including its successors and assigns to or of the Property or any part thereof or any interest therein and any party in possession or occupancy of the Property or any part thereof). In amplification, and not in restriction of the provisions hereof, it is intended and agreed that the Authority shall be deemed a beneficiary of the covenant provided in Section 301 (a) (3) hereof, both for and in their or its own right and

Sec. 904 (Cont.)

also for the purpose of protecting the interests of the community and the other parties, public or private, in whose favor or for whose benefit such covenants have been provided, and such covenants shall be in force and effect, without regard to whether the Authority or the United States has at any time been, remains or is an owner or in possession of any land to, or in favor of, which the covenants relate.

It is the intention of the Authority that the covenants running with the land which are contained in any instrument of conveyance relating to the Property shall be enforceable only by the Authority (and the United States in the case of the covenant provided in Section 301 (a) (3) hereof) and those holding title to an interest in the Property and that such covenants shall not be enforceable by transferees of other land owned by the Authority in the area covered by the Plan.

Section 905: Parties Barred From Interest in Project

No member of the Congress of the United States of America shall be admitted to any share or part hereof, or to any benefit to arise therefrom.

Section 906: Authority's Members and Officers Barred From Interest

(a) No member, official or employee of the Authority shall have any personal interest, direct or indirect, in this Agreement or the Redeveloper, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interest or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official or employee of the Authority shall be personally liable to the Redeveloper or any successor in interest in the event of any default or breach by the Authority or for any amount which may become due to the Redeveloper or to its successor or on any obligations under the terms of this Agreement.

(b) After the date hereinabove first written, the Redeveloper will not, without a prior finding by the Authority that such action is

Sec. 906 (Cont.)

consistent with the public interest, employ in connection with its obligations under this Agreement, any person who has participated in the planning or execution of the Plan or related Project and who is named on any list which may be furnished by the Authority to the Redeveloper as having so participated, or permit any such person to directly or indirectly acquire an interest (except an interest based upon the ownership of its capital stock if such stock is publicly held or offered) in the Redeveloper or in the Property prior to the completion of the improvements thereon in accordance with this Agreement and the Plan.

(c) The Redeveloper covenants that he has not employed or retained any company or person (other than a full-time bona-fide employee working for the Redeveloper) to solicit or secure this Agreement, and that he has not paid or agreed to pay any company or person percentage, or brokerage fee, contingent upon or resulting from the execution of this Agreement.

Section 907: Approvals and Notices

Except as otherwise specifically provided in this Agreement, whenever under this Agreement approvals, authorizations, determinations, satisfactions, or waivers are required or permitted, such approvals, authorizations, determinations, satisfactions or waivers shall be effective and valid only when given in writing signed by a duly authorized officer of the Authority or Redeveloper, and sent registered or certified mail, postage prepaid, to the principal office of the party to whom it is directed, which are as follows:

Redeveloper: c/o Concord Houses Associates
 Housing Innovations, Inc.
 50 Franklin Street
 Boston, Massachusetts

Authority: New City Hall, Boston, Massachusetts 02201

The parties shall promptly notify each other of any change of their respective addresses set forth above.

Sec. 907 (Cont.)

Notices and other communications to mortgagees and holders of construction loan agreements shall be sent registered or certified mail prepaid to the last known address of the party concerned.

Section 908: Matters to be Disregarded

The titles of the several articles and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

Section 909: Obligations to Continue

Except as to obligations to be performed at or prior to the time of closing of the sale and conveyance of fee simple title to and delivery of possession of the Property, the provisions of this Agreement shall survive the time of closing and the sale and conveyance of fee simple title to and the delivery of possession of the Property to the Redeveloper, but shall not survive issuance of the Certificate of Completion by the Authority except to the extent stated in the deed.

Section 910: Excusable Delays

For the purposes of any of the provisions of this Agreement, neither the Authority nor the Redeveloper, as the case may be, shall be considered in breach of or default in its obligations with respect to the preparation of the Property for Redevelopment, or the beginning and completion of construction of the improvements, or progress in respect thereto, in the event of unavoidable delay in the performance of such obligations due to causes beyond its control and without its fault or negligence, including but not restricted to, acts of God, or of the public enemy, acts of the Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays of subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times

Sec. 210 (Cont.)

for performance of the obligations of the Authority with respect to the preparation of the Property for redevelopment or of the Redeveloper with respect to construction of the improvements, as the case may be, shall be extended for the period of the enforced delay. Provided, that the party seeking the benefit of the provisions of this Section shall, within a reasonable period after the beginning of any such enforced delay, have first notified the other party thereof in writing stating the cause or causes thereof and requested an extension for the period of the enforced delay. In calculating the length of the delay, the Authority shall consider not only actual work stoppages but also any consequential delays resulting from such stoppages as well. In no event shall any financing difficulty or inability to secure a building permit be a cause for an extension hereunder. Failure to secure a building permit pursuant to Section 210 hereinabove shall only, with the concurrence of the Authority, be cause for such extension.

Section 911: Advertising

The Redeveloper agrees for itself, its successors, and assigns, that during construction and thereafter the Redeveloper, and its successors and assigns, shall include in all advertising for the sale or rental of the Property a statement to the effect (a) that the Property is open to all persons without discrimination on the basis of race, religion, sex, color or national origin and (b) that there shall be no discrimination in public access and use of the Property to the extent that it is open to the public. Without limiting the foregoing, the Redeveloper shall include in all advertising (including signs) for sale and rental of the whole or any part of the Property the legend "An Open Occupancy Building" in type or lettering of easily legible size and design.

Section 912: Agreement Subject to HUD Concurrence

This Agreement and the terms hereof are subject to HUD approval, and in the event that HUD disapproves of this Agreement in any respect, unless the parties agree to make such changes as HUD may require for its approval, then (1) the deposit referred to in Section 203, if any, together with any interest earned thereon shall be refunded; (2) all other obligations of the parties hereto shall cease; and (3) this Agreement shall be void and without recourse of the parties hereto.

Section 913: Agreement Binding on Successors and Assigns

The respective provisions of this Agreement shall be binding upon, and shall inure to the benefit of the successors and assigns of the Redeveloper and the public body or bodies succeeding to the interests of the Authority, and to any subsequent grantees of the Property.

Neither the Redeveloper nor any successor in title to the Property shall be liable for any breach hereof accruing after the period during which it was owner of the Property. No holder of any mortgage on the Property shall be deemed to be the owner thereof until it shall have acquired equitable title thereto.

The Authority agrees to look only to the assets of the Redeveloper and not to the assets of any general or limited partner of the Redeveloper in the event of any breach by the Redeveloper of its obligations hereunder, it being understood that in no event shall the assets of any general or limited partner of the Redeveloper, other than their interest in the Redeveloper or the Property, be subject to liability for any such breach.

Section 914: Amendment of Plan

No modification or amendment to any provision of the Plan shall be effective with respect to the Property, unless such modification or amendment of the Plan has been consented to by the Redeveloper and everyone entitled to be given notice under Section 803 prior to becoming effective with respect to the Redeveloper.

Section 915: Waivers

Any right or remedy which the Authority or the Redeveloper may have under this Agreement, or any of its provisions, may be waived in writing by the Authority or the Redeveloper, as the case may be, without execution of a new or supplementary Agreement, but any such waiver shall not affect any other rights not specifically waived, and no waiver by the Redeveloper of a right under Sections 801 or 802 shall be effective unless approved in writing by everyone then entitled to be given notice under Section 803.

Section 916: Amendments

This Agreement may be amended only by a written document, duly executed by the parties hereto, provided, however, any amendments must be approved in writing by everyone then entitled to be given notice under Section 803.

Section 917: All Agreements Contained in this Instrument

The terms and conditions of this Agreement, including the Exhibits hereto, shall constitute all of the terms and conditions that shall be required by the parties of one another as of the date of this Agreement without reference to any other instrument.

IN WITNESS WHEREOF, on the 4th day of October, 1974, at Boston, Massachusetts, the parties hereto have caused this Agreement in five counterparts to be signed, sealed and delivered by their duly authorized officers or representatives, respectively.

Signed, sealed and
delivered in the
presence of:

BOSTON REDEVELOPMENT AUTHORITY
(Corporate Seal)

Janet De Lisle

By Robert T. Kenney
Robert T. Kenney, Director

CONCORD HOUSES ASSOCIATES

John D. Kolster

Hill Corporation
By DA Blackett
A General Partner

John D. Kolster

By DA Blackett
A General Partner

Approved as to form:

Arthur G. Coffey
Arthur G. Coffey
Assistant General Counsel

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss. Boston

Sept 26

, 1974

Then personally appeared before me the above-named

ROBERT T. KENNEY

who executed the foregoing Agreement on behalf of the Boston
Redevelopment Authority and acknowledged the same to be the free
act and deed of said Authority.

John R. Thurston
Notary Public
My commission expires:
July 9, 1979

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss. Boston

October 2

, 1974

Then personally appeared before me the above-named

*Denis A. Blackett, as ^{President of} Hill Corporation and
individually*

General Partners of Concord Houses Associates, who executed the
foregoing Agreement on behalf of Concord Houses Associates and
acknowledged the same to be their free act and deed as said General
Partners.

Peter B. Tarrow
Notary Public
My commission expires: *2/7/80*

CERTIFICATE OF VOTE

The undersigned hereby certifies as follows:

Assistant

(1) That he is the duly qualified and acting/Secretary of the Boston Redevelopment Authority, hereinafter called the Authority, and the keeper of the records, including the journal of proceedings of the Authority.

(2) That the following is a true and correct copy of a vote as finally adopted at a meeting of the Authority held on July 18, 1974 and duly recorded in this office;

Copies of a memorandum dated July 18, 1974 were distributed re South End Project Mass. R-56, Final Designation of Redeveloper, Approval of Final Plans and Specifications and License for Early Entry, Disposition Parcels RC-4 and RC-5, attached to which were copies of a Resolution, and a map indicating the location of the parcels.

A Resolution entitled "RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY RE: FINAL DESIGNATION OF REDEVELOPER APPROVAL OF FINAL WORKING DRAWINGS AND SPECIFICATIONS AND LICENSE FOR EARLY ENTRY IN THE SOUTH END URBAN RENEWAL AREA PROJECT NO. MASS. R-56" was introduced, read and considered.

On motion duly made and seconded, it was unanimously

VOTED: To adopt the Resolution as read and considered.

The aforementioned Resolution is filed in the Document Book of the Authority as Document No. 2856.

(3) That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting, and a legally sufficient number of members of the Authority voted in a proper manner and all other requirements and proceedings under law incident to the proper adoption or the passage of said vote have been duly fulfilled, carried out and otherwise observed.

(4) That the Resolution to which this certificate is attached is in substantially the form as that presented to said meeting.

(5) That if an impression of the seal has been affixed below, it constitutes the official seal of the Boston Redevelopment Authority and this certificate is hereby executed under such official seal.

(6) That Robert T. Kenney is the Director of this Authority.

(7) That the undersigned is duly authorized to execute this certificate.

IN WITNESS WHEREOF the undersigned has hereunto set his hand this tenth day of September, 19 74.

BOSTON REDEVELOPMENT AUTHORITY

By William J. Johnson
Assistant Secretary

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: FINAL DESIGNATION OF REDEVELOPER, APPROVAL
OF FINAL WORKING DRAWINGS AND SPECIFICATIONS
AND LICENSE FOR EARLY ENTRY

IN THE SOUTH END URBAN RENEWAL AREA
PROJECT NO. MASS. R-56

WHEREAS, the Boston Redevelopment Authority, (hereinafter referred to as the "Authority"), has entered into a contract for loan and capital grant with the Federal Government under Title I of the Housing Act of 1949, as amended, which contract provides for financial assistance in the hereinafter identified Project; and

WHEREAS, the Urban Renewal Plan for the South End Urban Renewal Area, Project No. Mass. R-56, (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local, State and Federal law; and :

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with Federal financial assistance under said Title I, including those prohibiting discrimination because of race, color, sex, religion or national origin; and

WHEREAS, Concord Houses Associates has expressed an interest in and has submitted a satisfactory proposal for the development of Disposition Parcels RC-4 and RC-5 in the South End Urban Renewal Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 and 62 of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That Concord Houses Associates be and hereby is finally designated as Redeveloper of Parcels RC-4 and RC-5 in the South End Urban Renewal Area.
2. That it is hereby determined that Concord Houses Associates possesses the qualifications and financial resources necessary to acquire and develop the land in accordance with the Urban Renewal Plan for the Project Area.
3. That disposal of said parcels by negotiation is the appropriate method of making the land available for redevelopment.

That the Final Working Drawings and Specifications submitted by Concord Houses Associates for the development of Parcels RC-4 and RC-5 conform in all respects to the Urban Renewal Plan for the Project Area, and that said Final Working Drawings and Specifications be and hereby are approved.

5. That it is hereby found and determined that the proposed development will not result in significant damage to or impairment of the environment and further, that all practicable and feasible means and measures have been taken and are being utilized to avoid or minimize damage to the environment.

6. That the Director is hereby authorized for and in behalf of the Boston Redevelopment Authority to execute and deliver a Land Disposition Agreement and Deed conveying Parcels RC-4 and RC-5 to Concord Houses Associates, said documents to be in the Authority's usual form.

7. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure". (Federal Form H-6004)

8. That the Executive Director is hereby authorized to execute a License for early entry with Concord Houses Associates with regard to Parcels RC-4 and RC-5, said license to be in is an appropriate form and provide for necessity indemnification and insurance, with the Authority named as co-insured.

THE COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS HOUSING FINANCE AGENCY

SUPPLEMENTARY MATERIALS TO APPLICATION FOR FIRST AMENDMENT TO
REPORT AND DECISION ON CONCORD ASSOCIATES PROJECT

1. Memorandum from David L. Keene, Sr., Real Estate Officer, Massachusetts Finance Agency ("MHFA"), to Agency Members, dated December 8, 1987, re: "Resyndication - CONCORD HOUSES, SOUTH END-BOSTON".

2. Letter from Ned Epstein, Director of Housing Management, MHFA, to Denis Blackett of HII Corporation, dated December 9, 1987, evidencing vote of MHFA Board on December 8, 1987, approving the resyndication and transfer of the Concord Associates Project.

3. Summary Sheet of the proceeds from resyndication of Concord Associates Project as prepared by HII Corporation.

Kevin J. Morrison, Deputy General Counsel
Boston Redevelopment Authority

Dated: December 17, 1987



THE COMMONWEALTH OF MASSACHUSETTS

MASSACHUSETTS HOUSING FINANCE AGENCY

50 MILK STREET

BOSTON, MASSACHUSETTS 02109 • (617) 451-3480

MARVIN M. SIFLINGER
Executive Director

MEMORANDUM

TO: Agency Members
FROM: David L. Keene, Sr. Real Estate Officer
SUBJECT: Resyndication - CONCORD HOUSE, SOUTH END-BOSTON
DATE: December 8, 1987

Summary

HII Corporation (HII) has proposed a resyndication of the Concord Houses development. The purpose of the ownership transfer is to create an infusion of capital into the property through repayment of project funds and other syndication equity in order to meet current and projected capital needs.

The resyndication is made possible because federal tax credits would be available by the Massachusetts Executive Office of Communities and Development (EOCD) to the new partnership.

To undertake the financing, HII has proposed a three-party transaction. In the first transaction, the current limited partnership would make a bargain sale to MHFA, a qualified governmental agency under Internal Revenue Code Section 170 (c, 1). MHFA would immediately transfer the development to Concord Houses II, a new Massachusetts limited partnership whose General Partner would be Century Pacific Housing Fund I is a SEC-registered, publicly-offered limited partnership, of which Century Pacific Realty Corporation is a principal sponsor. In addition, there may be a special limited partner with a nominal interest affiliated with Century Pacific.

Background

Concord House is a 181 unit, new construction development, of which half of the units are for the elderly and half are for families, in the South End of Boston. It is subsidized under the Section 236 program. The mortgage loan closed in 1974 and has a remaining balance of approximately \$5.1 million.

Concord House Associates, a limited partnership, is the mortgagor. The general partner is HII Corporation, and an affiliate of HII, Tenant Services Incorporated (TSI) is the management agent for the development. HII and its affiliate, TSI, would remain as Managing General Partner and Management agent, respectively, for the development.

Proposed Transaction

The financial transaction proposed is similar to those done by the MHFA in some resyndications in 1985. A double, simultaneous transfer of title is planned. First, the property will be conveyed from the existing partnership to MHFA as the intermediary party, subject to the MHFA mortgage. The partners will contribute to the MHFA the appraised value of the property above the existing mortgage. This will be taken as a charitable contribution deduction, partially offsetting their contingent tax obligations. The outgoing limited partners will also receive \$938,000 cash to meet their remaining tax liability.

In the second step, the MHFA will convey Concord Houses to the new limited partnership, again subject to the MHFA mortgage. As the seller, the MHFA will take back secondary financing, roughly equivalent to the difference between the appraised value and existing mortgage plus personal property, working capital and replacement reserves. The second note is estimated to be for a term of one year longer than the use restriction, at a rate approximately 1% below the Applicable Federal Rate for long term financing for the month of December 1987, and interest thereon would accrue and be payable at maturity. The payments derived from the public-pooled resyndication offering will be paid at closing. The financial considerations are outlined below:

Transfer One: From Existing Partnership to MHFA

MHFA Mortgage	\$5,073,414
+Value of Charitable Contribution to Outgoing Limited Partners	(pending)
+Cash at Closing	<u>1,223,000</u>
Total Consideration	6,247,379+
Appraised Value	(pending)

Transfer Two: From MHFA to New Limited Partnership

First Mortgage Balance	\$5,073,414
Purchase Money Note	<u>(pending)</u>

Expected Sources and Uses

Gross Capital Contributions	\$1,517,000
Less: Syndication Costs/Fee	<u>425,000</u>
Net Contributions	\$1,092,000
Less: Payment to Outgoing Partners	938,000
Less: Contribution to Replacement Reserves from Equity Raised	190,562

Compliance with MHFA Resyndication Policy

The proposal conforms to Agency resyndication policy as outlined below.

As noted above, the managing general partner of the new limited partnership will be identical to the existing general partner, HII Corporation. They have an acceptable record with the Agency.

The MHFA has no prior experience in dealing with Century Pacific Realty Corporation, the principal sponsor of the publicly-owned limited partnership that is purchasing the development. Agency staff has no knowledge of any problems associated with the Century Pacific in owning and managing subsidized housing, but will complete a review prior to granting approval of the transfer. In addition, the MHFA and HUD will require approval of Previous Participation and Compliance (Form 2530) review prior to the transfer.

Tenants were notified of the transfer proposal October 29, 1987. Agency staff and HII representatives met with approximately 50 tenants on Tuesday, November 10, 1987. The anticipated financial benefits to the development, the retention of the existing subsidies, and the lock-in terms were explained. The property's capital needs were discussed at some length.

The major repair need is a crack in the exterior wall of the building at 715 Tremont Street. The owner has hired a structural engineer to investigate the problem and recommend a remedy. Another concern is the subsurface conditions in the parking area behind the building. Roof repair work was completed recently and windows are being replaced over time. Other items mentioned by the tenants were security, air conditioners, and water infiltration. Overall, the tenants expressed general satisfaction with the physical condition of the development.

The mortgage documents for Concord House effectively preclude loan prepayment for the life of the mortgage, 40 years. There are approximately 26 years to run on that term. A disposition restriction with a 26-year term, with no notice of intent to alter use during this period, will be executed at closing.

The Agency's capital needs assesement of Concord Houses has indicated that the expected repayment of \$190,562 from resyndication equity to the replacement reserve, when added to existing reserves, will be adequate to address the capital needs of the development. The reserve balance is currently \$352,000 or \$1,944 per unit, and is expected to remain more than sufficient to meet the ongoing physical requirements of the development.

Because Concord House is to be resyndicated through a pool investment structure, an operating deficit escrow equivalent to 5 percent of gross capital contributions, or \$75,850 is dictated by Agency policy. This escrow is to be funded no later than at closing. The escrow will be made available to fund operating losses or extraordinary physical needs not otherwise correctable for a period of ten years from that date on which the escrow has been fully funded.

As Concord House is taxed under a Chapter 121A agreement, no increase in real estate taxes is expected to result from the transfer. HII is now working to arrange the assignment of existing 121A agreements to partnerships. No escrow to cover operating expense increases is warranted or recommended.

In summary, the proposed ownership team is acceptable, tenants have not registered objections to the transfer and the property will benefit from a significant infusion of capital at closing. Accordingly, staff finds the proposal to be in the Agency's and the development's best interests. Approval of the resyndication is recommended.

Recommended Approvals

1. Conveyance of Concord House from Concord House Associates (selling limited partnership) to Concord Houses Associates II (buyer) through the MHFA, or other acceptable entity.
2. Retention of HII Corporation (HII) as managing general partner and approval of Century Pacific Housing Fund I as limited partner of Concord Houses Associates II.
3. Syndication of interests in the new partnership by Century Pacific Realty Corporation.

Conditions

1. Allocation of that portion of resyndication proceeds necessary to fund outstanding project requirements to the satisfaction of MHFA Executive Director, and secured under the mortgage.
2. Execution of a disposition agreement, consistent with Agency policy, running the remaining balance of the 40-year mortgage term.
3. At closing, pledge of \$75,850 in an irrevocable letter of credit for an operating deficit escrow. The letter of credit will be pledged for 10 years renewable each year. The escrow will be available to meet operating losses or other extraordinary needs of the development for a period of ten years from the date on which the letter of credit is pledged. This obligation is to be secured under the mortgage.

4. No change in any general partner of the new partnership without prior approval by the MHFA.
5. Payment to the MHFA at closing of the balance of the Agency processing fee, based on .005 of gross syndication fees raised.
6. Payment to EOCD at closing for total of .005 of gross syndication fees as a processing fee for federal tax credits.
7. At closing, certification by auditor of sources and uses of syndication proceeds.
8. At closing, payment to the MHFA of professional fees incurred by MHFA in connection with costs related to the transaction.
9. Satisfaction of all requirements in connection with conveyance of title to MHFA or other acceptable entities, as required by Agency General Counsel, including such indemnifications as the Executive Director may determine are necessary to protect the Agency from liabilities that may arise during the period that it holds title to the property.
10. Transfer is subject to acceptable staff review and HUD approval of Previous Participation and Compliance (Form 2530) by the purchaser.
11. At closing, execution of all necessary documents as deemed necessary by Agency General Counsel.
12. Satisfaction of any additional conditions deemed necessary by the Agency Executive Director and/or General Counsel.

/lms



THE COMMONWEALTH OF MASSACHUSETTS

MASSACHUSETTS HOUSING FINANCE AGENCY

50 MILK STREET

BOSTON, MASSACHUSETTS 02109 • (617) 451-3480

MARVIN M. SIFLINGER
Executive Director

December 9, 1987

Mr. Dennis Blackett
HII Corporation
28 State Street, Suite 3758
Boston, MA 02109

Dear Mr. Blackett:

We are pleased to inform you that by vote of the Members on December 8, 1987, the Agency approved a transfer of ownership at Concord House in Boston (South End).

Specifically, the Agency approved the following:

1. Conveyance of Concord House from Concord House Associates (selling limited partnership) to Concord Houses Associates II (buyer) through the MHFA, or other acceptable entity.
2. Retention of HII Corporation (HII) as managing general partner and approval of Century Pacific Housing Fund I as limited partner of Concord Houses Associates II.
3. Syndication of interests in the new partnership by Century Pacific Realty Corporation.

The above are conditioned upon the following:

1. Allocation of that portion of resyndication proceeds necessary to fund outstanding project requirements to the satisfaction of MHFA Executive Director, and secured under the mortgage.
2. Execution of a disposition agreement, consistent with Agency policy, running the remaining balance of the 40-year mortgage term.
3. At closing, pledge of \$75,850 in an irrevocable letter of credit for an operating deficit escrow. The letter of credit will be pledged for 10 years renewable each year. The

escrow will be available to meet operating losses or other extraordinary needs of the development for a period of ten years from the date on which the letter of credit is pledged. This obligation is to be secured under the mortgage.

4. No change in any general partner of the new partnership without prior approval by the MHFA.
5. Payment to the MHFA at closing of the balance of the Agency processing fee, based on .005 of gross syndication fees raised.
6. Payment to EOCD at closing for total of .005 of gross syndication fees as a processing fee for federal tax credits.
7. At closing, certification by auditor of sources and uses of syndication proceeds.
8. At closing, payment to the MHFA of professional fees incurred by MHFA in connection with costs related to the transaction.
9. Satisfaction of all requirements in connection with conveyance of title to MHFA or other acceptable entities, as required by Agency General Counsel, including such indemnifications as the Executive Director may determine are necessary to protect the Agency from liabilities that may arise during the period that it holds title to the property.
10. Transfer is subject to acceptable staff review and HUD approval of Previous Participation and Compliance (Form 2530) by the purchaser.

At closing, execution of all necessary documents as deemed necessary by Agency General Counsel.

Satisfaction of any additional conditions deemed necessary by the Agency Executive Director and/or General Counsel.

This commitment shall remain in effect through December 31, 1987. The commitment is valid only if signed and returned within ten days of receipt.

Sincerely,

Ned Epstein
Director of Housing Management

Accepted By: _____

Concord House in Boston (South End)

CONCORD HOUSES ASSOCIATES

Proceeds from the resyndication of the Concord Houses Associates project will be distributed in the following manner.

Purchase Price	\$6,165,414
Existing Mortgage	\$5,073,414
Processing Fees to MHFA, EOCD	15,600
Legal Expense and Other Closing Costs	50,000
Disposition Fee to NCHP	33,783
Disposition Fee to General Partner Affiliate	<u>448,834*</u>
Cash Available for Distribution	\$543,783

	<u>Cash</u>	
	%	\$
Limited Partners	90%	\$489,405
<u>General Partners</u>	<u>10%</u>	<u>\$54,378</u>
Total	100%	\$543,783

*MHFA requires that five percent (5%) of gross proceeds be held in escrow for resyndications involving publicly registered partnerships. The total amount required for Concord Houses Associates is \$75,850.

MEMORANDUM

DECEMBER 17, 1987

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: RICARDO A. MILLETT, ASSISTANT DIRECTOR FOR NEIGHBORHOOD
PLANNING AND DEVELOPMENT
KEVIN J. MORRISON, DEPUTY GENERAL COUNSEL
KELLY D. KING, ASSISTANT GENERAL COUNSEL

SUBJECT: FIRST AMENDMENT TO THE REPORT AND DECISION ON THE 121A
PROJECT APPLICATION OF CONCORD HOUSES ASSOCIATES

SUMMARY: THE FIRST AMENDMENT REQUESTS THE CONSENT OF THE AUTHORITY TO THE PROPOSED TRANSFER OF CONCORD HOUSES ASSOCIATES TO THE MASSACHUSETTS HOUSING FINANCE AGENCY ("MHFA") AND FROM MHFA TO CONCORD HOUSES II ASSOCIATES LIMITED PARTNERSHIP, A MASSACHUSETTS LIMITED PARTNERSHIP TO BE ORGANIZED FOR THE PURPOSE OF ACQUIRING AND CARRYING OUT THE PROJECT UNDER MASSACHUSETTS GENERAL LAWS, CHAPTER 121A.

On November 8, 1973, the Authority voted to adopt a "Report and Decision on the Application for Approval of the Redevelopment Project located in the South End Urban Renewal Area on Tremont Street between Rutland Square and Concord Square and on Tremont Street between Worcester Street and Concord Square by HII Corporation for Concord House Associates," (the "Report and Decision"). A Certificate of Vote and Mayoral approval of the Report and Decision were duly filed with the Office of the City Clerk on November 28, 1973.

As originally approved in the Report and Decision, the Project consisted of the construction, operation and maintenance of approximately 181 apartment units located on two parcels of land in the South End Urban Renewal Project Area. The Project was financed by the Massachusetts Housing Finance Agency ("MHFA"), MHFA Project No. 73-106. The mortgage loan closed in 1974 and has a remaining balance of approximately \$5.1 million. The Project receives further financial assistance under Section 236 of the National Housing Act, and half of the units are available for the elderly. The designated Chapter 121A entity was Concord Houses Associates, a Massachusetts limited partnership, of which HII Corporation was the general partner.

On December 11, 1987, Concord Houses Associates and HII Corporation (jointly the "Applicants") filed an application requesting an amendment to the Report and Decision (the "Application"). The Application requests approval of a transfer of the Project to MHFA which will then in turn, immediately transfer the Project to Concord Houses Associates II Limited Partnership, a Massachusetts limited partnership ("Concord Houses II" or "New Partnership") to be formed under the Massachusetts General Laws, Chapter 109 for the purpose of acquiring and resyndicating the Project. Enclosed are copies of the Application and certain supplementary materials in connection with MHFA's approval of the transfer.

The purpose of the ownership transfer is to create an infusion of capital into the Project through repayment of Project funds and other syndication equity in order to meet current and projected capital needs.

The resyndication is made possible by the provisions of the 1986 Tax Reform Act providing for low-income housing credits upon acquisition of ten-year-old

properties. The New Partnership would receive an allocation of low-income housing federal tax credits for 1987 from the Massachusetts Executive Office of Communities and Development.

The financing of the transfer to Concord Houses II will require a three-party transaction which is more fully described in the Application and the supplementary material. In the first transaction, Concord Houses Associates will make a bargain sale to MHFA, a qualified governmental agency under Internal Revenue Code Section 170(c)(1). MHFA will immediately transfer the Project to Concord Houses II. The Managing General Partner of Concord Houses II will be Denis A. Blackett or a corporate entity of which he is the principal, either HII Corporation or a new corporate entity. The principal Limited Partner will be Century Pacific Housing Fund I, an SEC-registered publicly-offered limited partnership, of which Century Pacific Realty Corporation is the sponsor.

The foregoing transactions were approved by MHFA by a vote of its board on December 8, 1987. Moreover, MHFA is assisting the Applicants in the process of securing the necessary federal Department of Housing and Urban Development approvals.

Approval of the First Amendment will not affect the purpose for which the Project was originally approved, subsidized rental housing for low and moderate-income persons. Furthermore, the current management agent, who has had experience in this Project specifically, will be retained. The proposed transfer and capital improvements are expected to meet no objections from the tenants of the Project.

The New Partnership will be required to enter into a new Regulatory Agreement with the Authority pursuant to Chapter 121A, Section 18c and containing such terms and conditions as the Chief General Counsel may in his discretion deem necessary and proper. Likewise, the New Partnership will be required to enter into a new 6A Contract with the City of Boston under Chapter 121A, Section 6A containing such terms as the Commissioner of Assessing deems satisfactory.

It is recommended that the Authority adopt the attached First Amendment to the Report and Decision on the Project.

The appropriate vote follows:

VOTED: That the document presented at this meeting entitled "FIRST AMENDMENT TO THE REPORT AND DECISION ON THE APPLICATION FOR APPROVAL OF THE REDEVELOPMENT PROJECT LOCATED IN THE SOUTH END URBAN RENEWAL AREA ON TREMONT STREET BETWEEN RUTLAND SQUARE AND CONCORD SQUARE AND ON TREMONT STREET BETWEEN WORCESTER STREET AND CONCORD SQUARE BY HII CORPORATION FOR CONCORD HOUSES ASSOCIATES," be and hereby is approved and adopted.

